

SECURITIES AND EXCHANGE COMMISSION

Washington 25, D. C.

FORM S-1

REGISTRATION STATEMENT

Under

The Securities Act of 1933

GENERAL ANILINE & FILM CORPORATION

(Exact name of registrant as specified in charter)

230 Park Avenue, New York 17, N. Y.

(Address of principal executive offices)

J. H. HILLDRING, President

230 Park Avenue

New York 17, N. Y.

(Name and address of agent for service)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

CALCULATION OF REGISTRATION FEE

Title of each class of securities being registered	Amount being registered	Proposed maximum offering price per unit*	Proposed maximum aggregate offering price*	Amount of registration fee
Common A Shares, Without Par Value	426,988 shares	\$200	\$85,397,600	\$ 8,539.76
Common B Shares, Par Value \$1 per Share	1,537,500 shares	\$20	\$30,750,000	\$ 3,075.00
				<u>\$11,614.76</u>

* Estimated solely for purposes of computing registration fee.

GENERAL ANILINE & FILM CORPORATION

Common A Shares

Common B Shares

Cross Reference Sheet Pursuant to Rule 404(c)

<u>Item Number</u>	<u>Prospectus Caption</u>
1	Cover of Prospectus (to be filed by post-effective amendment)
2	Terms of Offering
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5	Capitalization
6	Summary of Earnings
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* Indicates that item is inapplicable or answer negative.

PRELIMINARY PROSPECTUS ISSUED JANUARY 14, 1957

PROSPECTUS

General Aniline & Film Corporation

426,988 Common A Shares

(Without Par Value)

1,537,500 Common B Shares

(Par Value \$1 per Share)

The shares of stock of General Aniline & Film Corporation covered by this Prospectus are to be subject to restrictions on ownership and transfer. For further details as to such restrictions, reference is made to the Special Order proposed to be issued by the Attorney General of the United States and to "Description of Capital Stock" herein.

The shares of stock offered hereby are outstanding shares being offered by the Attorney General of the United States, the seller. General Aniline & Film Corporation (hereinafter called the "Company") will receive no part of the net proceeds of the sale of the shares offered hereby.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE
SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION
PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.
ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Attorney General of the United States is the record holder of 540,894 Common A Shares, which, at October 31, 1956, represented 91.25% of the outstanding Common A Shares, and 2,050,000 Common B Shares, which, at October 31, 1956, represented 100% of the outstanding Common B Shares of the Company. This Prospectus is issued in connection with the invitation by the Attorney General for bids for the purchase from him of 426,988 Common A Shares and 1,537,500 Common B Shares as an entirety. If any such bid is accepted and if the successful bidder plans to distribute the shares, the Company will file such post-effective amendments to the Registration Statement as may be necessary to amend the Prospectus to include the requisite additional information. (See "Principal Holders of Equity Securities" and "Terms of Offering" herein.)

ATTORNEY GENERAL OF THE UNITED STATES

Office of Alien Property

Department of Justice

101 Indiana Avenue, N.W., Washington 25, D. C.

The date of issue of this Prospectus is _____, 1957.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission, but has not yet become effective. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy in any State in which such offer or solicitation would be unlawful prior to registration or qualification under the securities laws thereof.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized.

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REGISTRATION STATEMENT

GENERAL ANILINE & FILM CORPORATION (hereinafter referred to as the "Company") has filed with the Securities and Exchange Commission, Washington, D. C., a Registration Statement (hereinafter, together with all amendments thereto, sometimes referred to as the "Registration Statement") under the Securities Act of 1933, for the registration of the Common A Shares and Common B Shares covered by this Prospectus. This Prospectus does not contain all of the information set forth in the Registration Statement, certain items of which are contained in schedules and exhibits to the Registration Statement, as permitted by the rules and regulations of the Securities and Exchange Commission. For further information with respect to the shares offered hereby and the Company, reference is made to the Registration Statement, including the exhibits thereto and the financial statements, notes and schedules filed as part of the Registration Statement. Except where otherwise indicated, this Prospectus speaks as of the date of issue.

The Attorney General of the United States, by Special Order No. 35 dated January 14, 1957, authorized and directed the Company and its officers and directors to take such action as might be necessary and appropriate to execute and cause to be filed with the Securities and Exchange Commission the Registration Statement and this Prospectus, and to take such other steps as might be necessary and appropriate to effect the registration of the shares covered thereby. The Special Order provides, among other things, that all actions taken and acts done by the Company and its officers and directors pursuant thereto "shall be deemed to have been taken and done in reliance on and pursuant to paragraph numbered (2) of sub-division (b) of section 5 of the Trading with the Enemy Act, as amended, and the acquittance and exculpation therein provided." The Company and its officers and directors believe that the provisions of such paragraph (2) relieve them from any liability in connection with any action taken, act done or omission by them in good faith pursuant to the Special Order, including the registration of the shares covered by the Registration Statement, which might be imposed upon them by virtue of any of the provisions of the Securities Act of 1933, as amended, or otherwise.

THE COMPANY

The Company was incorporated in the State of Delaware on April 26, 1929, under the name of American I.G. Chemical Corporation. At various times the Company acquired 82% of the outstanding stock of Agfa Ansco Corporation, 100% of the outstanding stock of General Aniline Works, Inc., and 100% of the outstanding stock of Ozalid Corporation. On October 31, 1939, General Aniline Works, Inc. was merged into the Company, which thereupon changed its name from American I.G. Chemical Corporation to General Aniline & Film Corporation. On December 29, 1939 and September 30, 1940, Agfa Ansco Corporation and Ozalid Corporation, respectively, were merged into the Company. On November 5, 1953, the Company issued to the Attorney General of the United States 65,085 of its Common A Shares in exchange for 100% of the outstanding capital stock (8,678 shares) of General Dyestuff Corporation. General Dyestuff Corporation was merged into the Company as of June 30, 1954.

The principal executive offices of the Company are located at 230 Park Avenue, New York 17, New York.

CAPITALIZATION

The capitalization of the Company as of October 31, 1956 was as follows:

<u>Title of Class</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Long-Term Debt:		
2.95% Note Payable, due June 1, 1967 (annual prepayments of \$1,000,000 each June 1 from 1956 to 1966) (1)	—	\$13,500,000(2)
3½% Notes Payable, due March 1, 1972 (annual prepayments each March 1, 1957 to 1971 ranging from \$500,000 to \$1,250,000) (1)	—	\$19,500,000(2)
Capital Stock:		
Common A Shares, No Par Value	3,000,000 shares	592,742.1 shares(3)
Common B Shares, \$1 Par Value	3,000,000 shares	2,050,000 shares(4)
(1) The Notes were issued pursuant to loan agreements dated July 10, 1947 and July 5, 1951, as amended, with Metropolitan Life Insurance Company.		
(2) Exclusive of current maturities.		
(3) Exclusive of 2,043.9 shares in treasury.		
(4) Exclusive of 950,000 shares in treasury.		

NOTE: Reference is made to Notes 7 and 8 to the Financial Statements herein for information concerning restrictions on cash dividend payments and obligations under long-term leases. See also under "Description of Capital Stock" for information as to a proposed reclassification of shares.

PRICE RANGE OF STOCKS

The following tabulation shows the price range of bid prices of the Common A Shares as reported by the National Quotation Bureau:

	<u>High</u>	<u>Low</u>
1950	86	63
1951	136	76
1952	140	90
1953	124	94
1954	111	75
1955	115	95
1956	198	113

During the above period, there have been no known bids on the Common B Shares. Title to all the outstanding Common B Shares is vested in the Attorney General of the United States.

SUMMARY OF EARNINGS

The following summary, expressed in thousands, shows the consolidated earnings of the Company and its subsidiaries for the ten years ended December 31, 1955, the eight months ended August 31, 1956 and 1955, and the ten months ended October 31, 1956 and 1955. The summary with respect to the ten years ended December 31, 1955, and the eight months ended August 31, 1956, has been examined by Arthur Andersen & Co., independent public accountants, whose opinion thereon is included in this Prospectus. The results of operations of the Company and its

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>
Net sales	\$67,813	\$78,741	\$95,002	\$85,733	\$102,468
Gross profit	\$23,108	\$26,580	\$36,907	\$29,442	\$ 39,842
Operating expenses (including state taxes on income)...	17,391	19,296	21,696	22,165	23,766
	<u>\$ 5,717</u>	<u>\$ 7,284</u>	<u>\$15,211</u>	<u>\$ 7,277</u>	<u>\$ 16,076</u>
Other deductions (income):					
Interest on borrowed capital	\$ 184	\$ 390	\$ 622	\$ 609	\$ 590
Sales and purchase discounts (net)	514	644	778	602	755
Royalty expense	213	376	577	476	—
Income from securities	(482)	(109)	(221)	(182)	(206)
Royalty income	(418)	(445)	(410)	(400)	(422)
Sale of trade-mark and related business	—	—	(750)	—	—
Amount received in settlement of litigation	—	—	—	—	—
Miscellaneous (net)	(157)	(110)	(98)	181	(116)
	<u>\$ (146)</u>	<u>\$ 746</u>	<u>\$ 498</u>	<u>\$ 1,286</u>	<u>\$ 601</u>
Profit before Federal taxes on income	<u>\$ 5,863</u>	<u>\$ 6,538</u>	<u>\$14,713</u>	<u>\$ 5,991</u>	<u>\$ 15,475</u>
Provision for Federal taxes on income:					
Normal and surtax	\$ 2,275	\$ 2,716	\$ 5,355	\$ 2,514	\$ 6,483
Excess profits tax	—	—	—	—	1,089
Credit arising from carry-back of unused excess profits credit	—	—	—	—	—
	<u>\$ 2,275</u>	<u>\$ 2,716</u>	<u>\$ 5,355</u>	<u>\$ 2,514</u>	<u>\$ 7,572</u>
Net profit	<u>\$ 3,588</u>	<u>\$ 3,822</u>	<u>\$ 9,358</u>	<u>\$ 3,477</u>	<u>\$ 7,903</u>
Per share (Note 3):					
Net profit—					
Common A Shares	\$ 4.498	\$ 4.792	\$11.731	\$ 4.359	\$ 9.907
Common B Shares450	.479	1.173	.436	.991
Dividends (Note 4)—					
Common A Shares	\$ 2.50	\$ —	\$ —	\$ —	\$ 1.00
Common B Shares25	—	—	—	.10

NOTES:

- (1) The above summary of earnings includes the operating results of General Dyestuff Corporation and subsidiary prior to June 30, 1954. As of October 31, 1953, the Company exchanged 65,085 of its Common A Shares for all of the outstanding capital stock of General Dyestuff Corporation which, since 1927, had been the exclusive selling agent for dyestuffs manufactured by the Company and its predecessor. General Dyestuff Corporation was merged into the Company as of June 30, 1954.
- (2) The summary of earnings has been adjusted to reflect the retroactive application of certain direct surplus charges and credits (net charge, \$343,527) made in 1954 to record the liability for vacation pay and certain other expenses as of January 1, 1954, and to adjust renegotiation and other reserves provided in prior years. As a result of such adjustments, the net profit shown above for the years 1946 to 1953, inclusive, has been increased (decreased) from that previously reported to stockholders by the following

DESCRIPTION OF BUSINESS

The Company is engaged in the manufacture and sale of dyestuffs and chemicals through its Dyestuff and Chemical Division; photographic products, including films, papers, processing chemicals, cameras and accessories through its Ansco Division; and dry development white print reproduction machines and sensitized materials used in the reproduction process through its Ozalid Division. The operating Divisions are more fully described below.

The following table shows the percentages of the Company's total sales by Divisions for the five years ended December 31, 1955:

<u>Year</u>	<u>Dyestuff and Chemical Division</u>	<u>Ansco Division</u>	<u>Ozalid Division</u>	<u>Total</u>
1951	52.4%	33.2%	14.4%	100%
1952	46.8%	37.0%	16.2%	100%
1953	44.9%	39.2%	15.9%	100%
1954	46.8%	37.4%	15.8%	100%
1955	48.2%	36.5%	15.3%	100%

The operations of the Company are also conducted through the medium of three wholly-owned subsidiaries, namely, Collway Colors Incorporated (a New Jersey corporation), which produces special pigment colors at its plant at Paterson, New Jersey, for use in pigmenting printing inks, paints, crayons, leather and for other purposes; Ansco of Canada Limited (a Dominion corporation), which is the Canadian sales outlet for the Ansco Division; and General Dyestuff Realty Co., Inc. (a New York corporation), which is the owner and lessor of four branch sales offices and warehouses of the Dyestuff and Chemical Division.

The Company has a 50% interest in Generale Anilina & Saronio, S.p.A., an Italian affiliate, which is not presently on an operating basis, and a 49% interest in the common stock of Chemical Developments of Canada Limited.

The Company maintains a substantial research organization. As of August 31, 1956, there were 138 scientifically trained employees (having one or more college degrees) in the Company's research department. During the past five years, expenditures for research have averaged approximately 5% of sales. Research activities have been devoted to creating new products for sale and improving the Company's raw material position, as well as improving the competitive position of existing products.

The Company has a substantial number of patents and patent applications derived from its own research activities and a substantial number of patents acquired from outside sources. The Company also has a substantial number of trade marks. The Company does not consider its present operations to be materially dependent upon any single patent or any group of related patents.

The Company's products are marketed in foreign countries through independent distributors and licensees, with the exception of Canadian sales, in which case the Dyestuff and Chemical Division employs Chemical Developments of Canada Limited as its sales outlet. Ansco of Canada Limited is the sales outlet for the Ansco Division. The total volume of foreign sales in 1955 amounted to \$10,737,000.

The Company's products are sold in competition not only with the same or similar products of other manufacturers but also with other products which may be used for the same purposes, and the Company anticipates that keen competition will continue to exist in substantially all of the fields in which it is engaged.

Dyestuff and Chemical Division

This Division is engaged in the manufacture and sale of the following principal products:

Dyes and Pigments—vat dyes, direct and developed dyes, chrome dyes, acetate dyes, sulphur dyes and pigments (organic and inorganic).

Chemical Intermediates for dyes, pharmaceuticals and surface active agents.

Surface Active Agents—detergents (nonionic, anionic and cationic), wetting agents and emulsifiers.

Acetylene Derived Chemicals—butynediol, butanediol, propargyl alcohol, butyrolactone, pyrrolidone, vinyl pyrrolidone and poly vinyl pyrrolidone.

Chlorine, caustic soda, caustic potash, sodium hypochlorite and muriatic acid.

Specialty Chemicals—carbonyl iron powders (radio and television cores), chelating agents, optical bleaches, ultra violet absorbers, corrosion inhibitors, chemicals used in producing petroleum, color formers and sensitizers and photographic developers.

Substantially all of the products of the Division are sold for use in the manufacture of other products or for further processing in end products. The Division manufactures an extensive line of dyestuffs for coloring textiles (natural as well as synthetic), leather, paper, gasoline, plastics, paints, varnish, inks, furs, household soap and detergents, concrete and roofing granules. The Division is one of the four principal manufacturers of dyestuffs in the United States and one of the two principal producers of vat dyes.

In prior years, the chemical business of the Division consisted substantially of sales of chemical auxiliaries to the textile, paper and leather industries. More recently, however, the major growth of the chemical business has been in supplying base ingredients for household detergents, emulsifiers and wetting agents for insecticides, industrial cleaners, emulsifiers and stabilizers for the manufacture of rubber and plastics, drilling mud additives and chemical processing. The Division is the principal manufacturer in the industry of nonionic surface active agents and is one of the five principal manufacturers of anionic and cationic surface active agents.

The manufacture of acetylene chemicals by the Division represents the first commercial scale production in this country of high pressure acetylene chemicals. Acetylene derived chemicals are used in the plastics, synthetic fibres, cosmetics, pharmaceuticals, solvents, adhesives and other chemical fields.

The Division is engaged in a program of improving its raw material position. Among the principal raw materials by dollar volume which were formerly purchased but are now produced by the Division are dyestuff and chemical intermediates, alkylphenols, chlorine, caustic soda, caustic potash, sodium hypochlorite, muriatic acid and hydrogen.

Prior to the exchange of shares for all of the outstanding capital stock of General Dyestuff Corporation in 1953, the Division sold its products through General Dyestuff Corporation under an exclusive sales agreement. Since the exchange of shares and subsequent merger of General Dyestuff Corporation, the Division has maintained its own sales organization. The Division operates branch sales offices and warehouses in nine principal cities of the United States. In 1955, no single customer purchased more than 2% of the total sales of the Division.

Ansco Division

This Division is engaged in the manufacture and sale of photographic products including films, papers, processing chemicals, cameras and accessories. Its principal products are the following:

Black-and-white films, including roll film, 35mm film, sheet film for portraiture, industrial, newspaper and commercial photography, graphic arts film, film packs, X-ray film for industrial, medical and dental use, aerial film and special films for military and industrial photography.

Color film products, including Anscochrome roll film and 35mm slide film, 16mm and 35mm motion picture film, Anscochrome professional sheet film, color duplicating films of various types, and Printon film for making prints from color transparencies.

Photographic papers for black-and-white contact and enlargement prints used by professional photographers and photofinishers. Also paper for the reproduction of color photographs.

Photographic processing chemicals for both black-and-white and color photographic films and papers.

Cameras in the low-price range manufactured by Ansco and higher priced cameras for amateur photography manufactured abroad according to Ansco specifications.

Sundry products, including flash exposing equipment, camera carrying cases, home development tanks and complete developing and printing outfits for the amateur.

Essential raw materials—film base, paper raw stock, gelatine, silver nitrate, cellulose esters and solvents for film manufacture—are purchased from outsiders. A portion of its paper raw stock is purchased from a single source.

AnSCO is the second largest manufacturer of photographic film and paper products in the United States. Sales of still cameras and camera accessories for amateur and professional use rank third in the United States. The Division has produced precision optical, mechanical and electronic devices for the armed forces and is now engaged in similar development work of a classified nature under United States Government contracts.

AnSCO pioneered in the United States a type of color film which any photographer can process himself. In 1955, AnSCO introduced the new high-speed Anscochrome color film.

Sales of film and cameras are widely distributed and no single customer, except the Federal Government, purchased more than 2% of total sales in 1955. The products are distributed by the Division's own sales organization through wholesalers and retail outlets in a wide variety of markets. The Division operates district sales offices in eleven cities and seven branch warehouses in the United States.

Ozalid Division

This Division manufactures and sells diazo sensitized materials and white print reproduction machines for obtaining dry developed prints widely used in the fields of engineering and office operations. The sensitized materials are produced on a variety of paper, cloth and foil bases. The machines are manufactured in a number of models ranging from small desk-type units to large high-speed equipment designed for volume production. The servicing of these machines, and sales of replacement parts, are an additional source of revenue.

Ozalid sensitized materials and machines are used throughout industry. Processing does not require darkroom conditions. The resulting print is an exact copy of the original. Reproduction of engineering drawings, and the copying of all kinds of records, reports, and office forms represent important markets for Ozalid products. Newly developed diazo sensitized paper and aluminum base plates for offset duplicating have opened up a potentially large lithographic market and a new line of products is being promoted in the rapidly expanding field of visual education. The Division has developed a new compact inexpensive printer-developer which went into production in October, 1956. Additional models are scheduled for introduction in 1957.

Ozalid products account for about 30% of total sales in the diazo reproduction market, including both moist and dry processes, and an estimated 50% of sales in the dry development market in which the Ozalid Division is the industry leader. The balance of the dry market is shared by some 30 competitors. This Division is the largest producer of white print machines for diazo reproduction purposes.

The Ozalid Division has its own sales force, with sales branches in 15 major cities in the United States, and also markets its products through a nation-wide organization of distributors and agents in areas not serviced by sales branches.

RECENT DEVELOPMENTS

The Company in recent years has made large expenditures for facilities for the production of new products and the integration and expansion of facilities for production of existing

products. During the ten years ended December 31, 1955, gross expenditures for all purposes have totaled approximately \$65,221,000, as follows:

1946.....	\$ 6,488,000	1951.....	\$ 5,813,000
1947.....	6,388,000	1952.....	4,437,000
1948.....	7,664,000	1953.....	4,014,000
1949.....	8,206,000	1954.....	4,473,000
1950.....	4,710,000	1955.....	13,028,000

The most important projects completed in the past five years include a high pressure acetylene chemical plant at Calvert City, Kentucky; a chlorine caustic plant and a nonylphenol plant at Linden, New Jersey, which improve the raw material position of the Company; a central distillation unit at Linden, New Jersey, which expands distillation capacity and improves costs; and a large central shipping warehouse at Linden, New Jersey, which permits consolidation of warehousing operations formerly conducted at New York City and Philadelphia.

A modern finished goods warehouse with facilities for cold storage of sensitized goods and plant additions and facilities for the preparation of dye and organic chemicals used in color film manufacture have been completed within the last year at Binghamton, New York. Also, a combination finished goods warehouse and paper-converting building was recently completed at Johnson City, New York.

Most important projects now in construction include the expansion of facilities for the manufacture of chemical intermediates, surface active agents and detergents and the construction of an ethylene oxide-ethylene glycol plant at Linden, New Jersey. The ethylene oxide will be used by the Company as a basic raw material for production of detergents, emulsifiers and wetting agents. The glycol will be for general sale. A plant, now under construction at Calvert City, Kentucky, and due to go on stream early in 1957, will also manufacture surface active agents and detergents to supply the midwest market.

A site has been purchased recently in Vestal, New York, upon which will be constructed an Ozalid machine manufacturing plant.

Capital expenditures for 1956 are estimated at \$10,000,000, and it is anticipated that capital expenditures for 1957 will be approximately \$15,000,000. The Company does not anticipate that any new financing will be required to finance such expenditures. Additional expenditures are under consideration, but have not been authorized, which might involve the borrowing of up to \$15,000,000.

PROPERTIES

The Company owns and operates the following plants:

Dyestuff and Chemical Division

Linden Plant

This plant is located on 123.5 acres in Linden, New Jersey. It consists of 42 major buildings and considerable outdoor and tankage equipment which, along with roadways, railroads and yard area, occupy 67 acres. Parking for automobiles occupies another 7 acres, leaving 49.5 acres of unimproved meadow land. There are 2 miles of paved roads, 1.5 miles of unpaved roads, and 3.3 miles of railroad track. The plant is served by the Central Railroad of New Jersey. The buildings are mostly of brick and steel or reinforced concrete construction.

The plant is equipped to manufacture dyes, intermediates, fine chemicals, surface active agents, carbonyl iron powder, chlorine, sodium hypochlorite, muriatic acid, caustic soda and caustic potash. The plant also has research and development facilities.

The plant generates all its own steam requirements and part of its electric power. A salt water pumping station is located on adjacent land, which is occupied under a long term lease. Fresh water is supplied by Elizabethtown Water Company.

Rensselaer Plant

This plant is located on a plot of 94.69 acres at Rensselaer, New York. It consists of 24 major buildings which occupy approximately 7 acres, the balance of the land being roadways, parking lots, railroad sidings, storage areas and approximately 50 acres of unimproved land. The buildings are mostly of brick and reinforced concrete construction.

The plant is equipped to manufacture dyes, intermediates and chemicals. The plant also has research and development facilities.

The plant generates all of its steam but purchases its requirements of electric power. Water is supplied through a filter plant pumping water from the Hudson River and the plant is served by the New York Central Railroad.

Calvert City Plant

This plant is located on a plot of 55 acres at Calvert City, Kentucky. The developed plant area comprises about 13 acres, the balance being usable open level farm land. The plant consists of 6 major buildings and 4 minor buildings. The buildings are of cinder block or of corrugated cement-asbestos board and steel construction. The plant is equipped with processing machinery for the manufacture of acetylene-based chemicals, the equipment being mainly installed in two major open refinery-type structures. Tankage includes about 500,000 gallons in 15 tanks. The steam requirements are generated in a 60,000 pound per hour boiler.

Electric power is purchased from the Tennessee Valley Authority. River water, potable water, natural gas and a number of chemical raw materials are delivered via pipe lines under long term agreements. The plant has waste water treatment and disposal facilities. It is served by the Illinois Central Railroad and has 3,000 feet of trackage on three spurs.

AnSCO Division

Binghamton Plant

This plant, with the Division's administrative offices, occupies approximately 48 acres in Binghamton, New York. Some 70 buildings, mainly of brick and reinforced concrete construction, equipped for the casting of film base, the production of sensitized film and paper and the manufacture of cameras and photographic accessory items, occupy 11.37 acres. The Division recently completed construction of a finished goods warehouse equipped for cold storage of sensitized goods and facilities for preparation of dye and organic chemicals used in color film manufacture. The facilities also include deep wells for water supply, steam and power generation plants, warehouses, administration buildings, and research and development facilities with experimental manufacturing equipment. The plant is served by the Erie Railroad. Water is also supplied to the plant by the City of Binghamton.

Ozalid Division

Johnson City Plant

This plant, with the Division's administrative offices, is located in Johnson City, New York, on about four acres and consists of three main plant buildings and several smaller buildings. These structures occupy about half of the land area and include two large modern, air-conditioned buildings of steel construction, with glazed brick exterior finish. These buildings are equipped for paper coating and paper converting and include raw paper storage facilities. The third main plant building, housing all machine manufacturing operations, is of masonry and timber construction in excellent repair, and connected by tunnels to the new and more modern structures. This building is scheduled for use as a warehouse upon completion of a modern integrated warehouse and machine manufacturing building on property recently acquired in the nearby town of Vestal, New York. The smaller buildings of cinder block construction are used to house facilities for manufacture of paper base lithographic plates and specialty products. The plant is served by the Delaware, Lackawanna and Western Railroad and receives its water supply from the Village of Johnson City.

Miscellaneous Properties Owned by the Company

The Company owns a Research Laboratory located at Easton, Pennsylvania, consisting of a five-story steel and concrete building and equipped to conduct research operations.

The Company also owns 2¾ acres of land in Union, New Jersey, on which is located a color film processing laboratory, and a branch sales office in Hollywood, California. The Company owns 173 acres of land in suburban Binghamton, New York, equipped with swimming and boating facilities for employee recreation. Negotiations for the purchase of 19.55 acres of land with approximately 6,000 feet of railroad track located adjacent to the Linden plant are nearing completion.

General Dyestuff Realty Co., Inc. owns properties located at Philadelphia, Pennsylvania; Providence, Rhode Island; Charlotte, North Carolina; and Chattanooga, Tennessee. These properties, which are leased to the Dyestuff and Chemical Division, serve as branch sales offices, warehouses and laboratories.

Collway Colors Incorporated owns and operates a plant for the manufacture of dry colors located in Paterson, New Jersey. The plant consists of three brick buildings, one and two stories in height on an irregular plot approximately 300 by 108 feet.

Anso of Canada Limited owns twelve acres of unimproved land in Toronto, Canada, adjacent to the Canadian branch sales office and warehouse.

Properties Leased by the Company

The Company leases approximately 12,031 square feet of office space at 230 Park Avenue, New York, in which are located the executive offices of the Company.

The Company also leases four floors containing in the aggregate approximately 98,000 square feet of space at 435 Hudson Street, New York, in which is housed the head office of the Dyestuff and Chemical Division and which includes laboratory facilities and sales and general administrative offices.

Sales offices and branch warehouses are maintained in various principal cities in the United States in leased space.

EMPLOYEE RELATIONS

As of August 31, 1956, the Company had 8,587 employees, of which 4,058 were employed on a salary basis and 4,529 were employed on an hourly basis. The total annual payroll of the Company in 1955 was \$41,849,187.

Employee relations at the various locations of the Company are satisfactory. The last material work stoppage experienced by the Company occurred in January, 1956, at Linden, New Jersey. The strike, which lasted five days, ended in an agreement for a two-year contract.

There are, as of August 31, 1956, 20 unions with which the Company has labor contracts, representing 4,959 of the employees of the Company. With the exception of employees of one subsidiary, the employees of all of the Company's manufacturing operations are represented by labor unions. There is no organization of exempt salaried, professional, technical, sales or supervisory personnel.

Effective January 1, 1944, the Company adopted a Retirement Plan for which all employees, including officers of the Company, are eligible after reaching age 25 and completing two years of service. As of December 31, 1955, there were 6,103 employees covered by the Plan. The funds paid into the Plan are held in trust under an agreement with Bankers Trust Company, New York, as Trustee. The general administration of the Plan is under the direction of a Retirement Board appointed by the Board of Directors of the Company. The Plan is contributory for both employer and employee, the annual cost of which in 1955 to the Company was \$975,532. As of August 31, 1956, 325 retired employees were receiving or were eligible to receive retirement allowances. Total payments to retired employees in 1955 amounted to \$82,977.

In addition to the payments to the Retirement Plan, the Company, together with its employees, contributes to the support of group life insurance plans and group hospital, surgical and medical programs. In 1955, the Company adopted a contributory hospital-surgical medical catastrophe plan for its full-time management employees.

The Company has an Executive Incentive Compensation Plan which became effective in 1955. This Plan provides for incentive compensation awards to full-time management employees as well as special awards for all employees. Incentive compensation awards totaling \$151,428 were made to 123 employees and special awards of \$10,250 were made to six employees after the first year of operation of the Plan.

MANAGEMENT

The directors and executive officers of the Company are as follows:

<u>Name</u>	<u>Positions and Offices</u>
John H. Hilldring	President, Member of the Executive Committee and Director
Francis A. Gibbons	Executive Vice President, Member of the Finance Committee and Retirement Board and Director
Philip M. Dinkins	Vice President-General Manager—Dyestuff and Chemical Division and Director
Leopold F. Eckler	Vice President-General Manager—AnSCO Division
Walter A. Hensel	Vice President-General Manager—Ozalid Division
James Forrestal	Vice President and Director
Matthew M. Gouger	Vice President and Director of Personnel Relations and Member of the Retirement Board
Chandler T. White	Vice President—Trade Relations
Sumner H. Williams	Vice President and Assistant General Manager—Dyestuff and Chemical Division
Arthur J. Young	Controller
Albert E. Hendershot	Treasurer
C. Joseph Hyland	Secretary
Norman Biltz	Director
Elmer H. Bobst	Member of the Executive Committee and Research Committee and Director
John M. Budinger	Member of the Finance Committee and Director
Lucius D. Clay	Director
Melvin C. Eaton	Member of the Finance Committee and Director
Horace C. Flanigan	Member of the Executive Committee and Finance Committee and Director
Robert Heller	Member of the Research Committee and Director
Thomas A. Morgan	Member of the Executive Committee and Retirement Board and Director
Winston Paul	Member of the Executive Committee, Finance Committee and Retirement Board and Director
Arthur E. Pettit	Member of the Executive Committee and Finance Committee and Director
G. Schuyler Tarbell, Jr.	Member of the Executive Committee, Finance Committee and Retirement Board and Director
Robert R. Williams	Member of the Research Committee and Director

Philip M. Dinkins was elected Vice President on May 25, 1955. For more than five years prior to February 1, 1955, he was President of Jefferson Chemical Company. Between February 1, and May 25, 1955, he was retired from active business.

Leopold F. Eckler was elected Vice President on March 2, 1955. For more than five years prior to March 2, 1955, he was employed by Celanese Corporation, much of the time as General Manager of the Plastics Division.

In all other cases, the executive officers named above were employed by the Company or General Dyestuff Corporation for at least five years prior to December 31, 1955.

Remuneration

The following table sets forth the aggregate remuneration paid by the Company during 1955 to (1) each director, and each of the three highest paid officers, of the Company whose aggregate direct remuneration exceeded \$30,000 and (2) all directors and officers of the Company as a group and, as well, the amounts paid by the Company for the benefit of each person under the Company's Pension Plan and Group Life Insurance Plan and the annual benefits estimated to be payable to such persons under the Pension Plan at the normal retirement date:

Name	Capacities in which Remuneration Was Received	Aggregate Direct Remuneration	Premiums Paid Under Pension Plan or Group Life Insurance Plan	Estimated Annual Benefits Under Pension Plan
John H. Hilldring	President	\$ 63,750	\$3,050	\$ 5,968
Francis A. Gibbons	Senior Vice President	42,500	1,805	12,480
James Forrestal	Vice President— Ansco-Ozalid	45,000	2,344	7,331
Sumner H. Williams	Vice President and General Sales Manager Dyestuff and Chemical Division	68,497	2,052	12,480
J. C. Franklin*	Vice President— Operations, Dyestuff and Chemical Division	41,000	748	*
Total for all Executive Officers and Directors as a Group		448,264	16,081	74,641

* J. C. Franklin resigned June 1, 1955.

The amounts shown in the last column are estimates based on continued employment at present compensation to normal retirement age.

The foregoing table includes directors' fees. It does not include remuneration in the amount of \$65,300 for legal services paid to Winthrop, Stimson, Putnam & Roberts, of which firm Arthur E. Pettit is a member.

Employment Contracts

The President has a contract with the Company which provides for his employment as President and chief executive officer until April 9, 1957 at an annual salary of \$70,000 and as a consultant on management problems until April 9, 1964 at an annual rate of \$15,000 for the first six years and \$10,000 for the seventh year, such payments to continue in the event of his death or disability prior to April 9, 1964.

Four Vice Presidents have employment contracts expiring in 1958 at rates ranging from \$23,500 to \$45,000 per annum and two Vice Presidents have employment contracts expiring in 1959 at annual rates of \$30,000 and \$35,000. One of these contracts provides for employment as consultant for an additional four years at an annual rate of \$10,000 in the event the contract is not renewed.

PRINCIPAL HOLDERS OF EQUITY SECURITIES

At October 31, 1956

<u>Name and Address</u>	<u>Title of Class</u>	<u>Type of Ownership</u>	<u>Amount Owned</u>	<u>Percent of Class</u>
The Attorney General of the United States Washington, D. C.	Common A Shares	Of Record and Beneficially	540,894 shares	91.25%*
The Attorney General of the United States Washington, D. C.	Common B Shares	Of Record and Beneficially	2,050,000 shares	100%*

* The Attorney General has advised the Company that a maximum of 70,344 Common A Shares and 316,500 Common B Shares may be subject to claims of stockholders of I. G. Chemie who are now parties to a suit for the return of such shares under Section 9(a) of the Trading with the Enemy Act, Civil Action No. 4360-48, pending in the United States District Court for the District of Columbia. Such stockholders may also contend that their aforesaid suit subjects additional shares to their claim. In the opinion of the Attorney General, however, this is not so and the pending claims do not extend to more than the number of shares referred to above as the maximum subject to claim. In the opinion of the Attorney General, he has the right to sell all or any part of the remaining shares.

STATUS OF THE COMPANY UNDER THE TRADING WITH THE ENEMY ACT

By virtue of the issuance of Vesting Orders Nos. 5, 248, 907, 10833, 15838, 17007, 17676 and 18112, and other actions taken pursuant to the Trading with the Enemy Act, and Executive Orders 9095, as amended, and 9788, the Attorney General owns 540,894 of the outstanding Common A Shares and 2,050,000 (all) of the outstanding Common B Shares. The Company has been conducting its business pursuant to the authorizations issued from time to time by the Alien Property Custodian or the Attorney General as his successor, permitting the management to continue the normal conduct of the business, subject, however, to the restrictions therein stated. The latest such authorization, dated January 5, 1943, is still in force and requires specific authorization for any transaction not in the normal course of the Company's business, including certain transactions specifically set forth therein.

The foregoing summaries of Vesting Orders and the authorization of the Alien Property Custodian, his successor, the Attorney General, and the Office of Alien Property, Department of Justice, do not purport to be complete and are subject to the full provisions thereof. The Vesting Orders and currently effective authorization, to which reference is made for a complete statement of the terms and conditions thereof, are filed as exhibits to the Registration Statement and the foregoing summaries are qualified in their entirety by such reference.

The Company has received from the Director, Office of Alien Property, Department of Justice, a letter dated January 14, 1957, as follows:

January 14, 1957

General Aniline & Film Corporation
230 Park Avenue
New York 17, N. Y.

Gentlemen:

The Attorney General holds approximately 91% of the outstanding Common A and 100% of the outstanding Common B stock of General Aniline & Film Corporation. He intends in the near future to invite public bids for certain of said shares. Question has been raised as to the extent of regulatory controls under the Trading with the Enemy Act, as amended, to which the Corporation may be subject after sale of the aforesaid shares.

Since 1946 General Aniline & Film Corporation has been designated a key corporation pursuant to Section 505.10 of the Regulations of the Office of Alien Property, Department of Justice (8 CFR 505.10). Any shares which are sold by the Attorney General will be sold to and may be transferred only to American nationals as defined in said Regulation. To implement Section 505.10, the undersigned, on behalf of the Attorney General, proposes to issue a special order designed to insure that notwithstanding the issuance of any additional stock (whether presently authorized, held in treasury or newly created) the voting stock of the Corporation owned by American nationals in the future will bear the same ratio to total stock outstanding after such stock issuance as the total of vested stock sold by the Attorney General bears to total stock of the Corporation outstanding at the time said proposed special order is issued. For the purpose of carrying out the intent of Section 505.10 and the proposed special order, it is anticipated that the proposed order will require the Corporation to amend its Certificate of Incorporation so as to restrict to American nationals ownership and transfer of its shares to the extent necessary to comply with the requirements of Section 505.10 and the proposed special order. In addition, Section 505.10 provides that upon request of the Director, Office of Alien Property, the Corporation shall furnish a list of the names and addresses of the holders of record of its outstanding stock which has been restricted as aforesaid; and that each holder of record of such stock shall furnish the name and address of the beneficial owner or owners of such stock.

It should be noted that an enterprise which is a national of a foreign country within the meaning of Executive Orders 8389, as amended, and 9095, as amended, is subject to the exercise of certain controls under the Trading with the Enemy Act. The term "national" as used in such Orders, includes an enterprise in which a substantial foreign interest existed on or since a date specified in Executive Order 8389, as amended, (which, in the case of General Aniline & Film Corporation, is June 14, 1941). In view of such definition, an enterprise which is a national of a foreign country may remain subject to the exercise of controls, notwithstanding the vesting and sale of such foreign interest. However, it is the present intention of the Attorney General, upon the sale of all or most of the aforesaid shares which the Attorney General proposes to offer, to grant the Corporation the authority to engage in all transactions in which an enterprise not a national of a foreign country may engage. Upon the taking of such action, authorization from the Attorney General will no longer be necessary with respect to the conduct of the business of the Corporation (including certain transactions which are presently prohibited without specific authorization) except to the extent that authorization might be required in the case of an enterprise not a national of a foreign country.

You may, if you desire, use this letter in any registration statement or prospectus in connection with the sale of stock in the Corporation held by the Attorney General.

Sincerely yours,

For the Attorney General

DALLAS S. TOWNSEND

.....
Dallas S. Townsend

Assistant Attorney General
Director, Office of Alien Property

DESCRIPTION OF CAPITAL STOCK

The following statements are summaries of certain provisions of the Certificate of Incorporation of the Company, as amended, a copy of which has been filed as an exhibit to the Registration Statement, and such statements are qualified in their entirety by reference thereto. The outstanding Common A Shares and Common B Shares are not liable to further calls or to assessment by the Company.

The Certificate of Incorporation provides in effect that each holder of Common A Shares and each holder of Common B Shares shall be entitled to one vote for each share of which he is the record owner; that no change affecting Common A Shares shall be made against the adverse vote

of 25% of the outstanding Common A Shares; that for each \$1, or fraction thereof, of dividends, declared and paid on each Common A Share, dividends of 10¢, or fraction thereof, shall be declared and paid on each Common B Share, and no dividend shall be declared and paid on either the Common A Shares or Common B Shares, unless at the same time dividends are declared and paid on both the Common A Shares and Common B Shares; and that, in case of liquidation or dissolution, the Common A Shares shall first receive not in excess of \$75 per share and the remainder of the assets available for distribution shall be distributed in equal parts, per share, to the holders of the outstanding Common A Shares and Common B Shares.

The Certificate of Incorporation further provides that Common A Shares not reserved for conversion (the conversion privilege having expired December 31, 1938) may be issued from time to time upon such terms and conditions and for such legal consideration as the Board of Directors may, from time to time, determine, and neither the holders of Common A Shares nor the holders of Common B Shares shall have any preemptive rights to subscribe for such remaining Common A Shares.

The Certificate of Incorporation further provides that Common A Shares may be redeemable in whole, or from time to time, in part, at the market price for such Common A Shares as shown by the average quotations for such shares on any recognized stock exchange during the 30 days next preceding such call for redemption but in no event at less than \$110 per share, either at the option of the Company or by operation of a sinking fund, and may be exchangeable for or convertible into stock of any other class or classes on such terms, as may be fixed by the Board of Directors not inconsistent with the provisions of the Certificate of Incorporation. (The Common A Shares are not now listed on any recognized stock exchange.)

The Certificate of Incorporation further provides that neither the increase of the number of Common A Shares, nor the increase of the number of Common B Shares, authorized thereby to be issued (namely 3,000,000 shares of each) shall be authorized thereafter without a corresponding authorization of increase of the other; and that, in the event of the increase of the authorized number of Common B Shares, each holder of Common B Shares shall have the option to acquire the same number of additional shares in the ratio which the percentage of his shareholdings of the total issued and outstanding Common B Shares bears to the number of additional shares authorized to be issued, at \$1 per share; provided that at no time shall there be issued Common B Shares (in addition to the original 3,000,000 shares) in excess of the number of Common A Shares outstanding at the time of such proposed new issue, the Company being empowered after 3,000,000 Common A Shares and 3,000,000 Common B Shares have been issued, to issue additional Common B Shares, if however, at the same time the same number of Common A Shares are issued.

In 1946, the Company was designated a "key corporation" pursuant to the Regulations of the Office of Alien Property under which stock in "key corporations" acquired and sold by the Attorney General must be restricted as to ownership and transferability to "American nationals" as defined in such Regulations. To implement such Regulations, the Attorney General proposes to issue a Special Order which will prohibit the following transactions except as specifically authorized by the Director, Office of Alien Property:

(a) the issuance of any "vested stock" (as defined in the Regulations) or the transfer of any such stock, or any interest therein, to any person or organization not an American national, except under the limited conditions provided in the Regulations;

(b) the issuance of any stock of the Company not presently outstanding (whether presently authorized, held in treasury or newly created stock) unless the same conditions, prohibitions and restrictions as are imposed on vested stock are imposed on a sufficient number of shares of the stock to be issued to insure that the then existing proportion of voting power represented by the total restricted stock (as defined in such Special Order) in relation to the total outstanding stock of the Company will not be reduced;

(c) any merger, consolidation, reorganization, or any other corporate action which eliminates in whole or in part any restricted stock of the Company; and

(d) the sale, exchange, lease, mortgage or other disposition of all or substantially all of the property or assets of the Company or any operating division thereof, including property or assets hereafter acquired, to any person who is not an American national and who does not expressly agree in writing that any future sale, exchange, lease, mortgage or other disposition by such person of said property or assets shall be subject to the same conditions and restrictions as are imposed upon the Company under this sub-paragraph (d).

The Special Order will also require the Company to amend its Certificate of Incorporation to include therein, in such form as shall be approved by the Director, Office of Alien Property, a prohibition or restriction against each of the transactions referred to above and will provide that, except as specifically authorized by the Director, Office of Alien Property, the Company shall not at any time amend its Certificate of Incorporation so as to delete therefrom any prohibition or restriction imposed by or pursuant to such order. It is contemplated that a special meeting of stockholders will be held for the purpose of effecting such amendment prior to the date of delivery of the shares offered hereby. A draft of the proposed Certificate of Amendment of the Certificate of Incorporation is filed as an exhibit to the Registration Statement, to which reference is hereby made.

As used herein, the term "vested stock" means, in effect, shares of stock in the Company vested by the Alien Property Custodian or the Attorney General and sold by the Attorney General, and also includes all shares of stock of the Company received by the Attorney General in payment for vested shares of General Dyestuff Corporation and any shares issued and exchanged for vested stock or issued by way of stock dividend thereon or split-up thereof or shares acquired pursuant to any rights or warrants accruing to the holders of vested stock notwithstanding any recapitalization, consolidation, merger or reclassification.

As used herein, the term "restricted stock" means, in effect, vested stock and any other stock of the Company which is required to be restricted pursuant to the provisions of sub-paragraph (b) above.

As used herein, the term "American nationals" means, in effect, United States citizens and business enterprises organized under the laws of the United States or a state or territory thereof and controlled at least to the extent of 75% by United States citizens.

A copy of the form of certification to accompany requests for the issuance or transfer of restricted stock is filed as an exhibit to the Registration Statement, to which reference is hereby made.

At October 31, 1956, earned surplus in the amount of \$64,084,758 was restricted as to payment of cash dividends under the loan agreements referred to in Note 7 to the Financial Statements herein, to which reference is hereby made.

On September 19, 1956, the Board of Directors of the Company approved a proposed retirement of treasury shares and a proposed amendment to the Certificate of Incorporation and called a special meeting of stockholders to take action thereon. The proposed amendment to the Certificate of Incorporation would have authorized 3,190,969 shares of new Class A Common Stock and 5,000,000 shares of new Class B Common Stock with a par value of \$10 each and would have reclassified each of the 592,742.1 outstanding Common A Shares into 4 shares of new Class A Common Stock and each of the 2,050,000 Common B Shares into 4/10ths of a share of new Class A Common Stock. The new Class A Common Stock, which would have been freely transferable, would have been convertible on a share for share basis into new Class B Common Stock, which would have been restricted as to ownership and transferability to American nationals. Except for these differences, both classes of new Common Stock would have been identical. The Attorney General has been enjoined by the United States District Court for the District of Columbia from voting shares vested from I. G. Chemie in favor of the proposed amendment and the special meeting of stockholders has been adjourned to February 20, 1957. In the event of any change in the situation relating to the above proposals prior to the time fixed for the submission of bids for the shares offered hereby, the Registration Statement will be appropriately amended to reflect such change.

TERMS OF OFFERING

The Company is not selling any stock and will receive no part of the net proceeds from the sale of the shares being offered by the Attorney General of the United States.

The Attorney General proposes to sell as an entirety the shares offered hereby under sealed bids at public sale to the highest qualified bidder. The general plan of sale and the Terms and Conditions of the offering are described in an Announcement With Respect to 426,988 Common A Shares and 1,537,500 Common B Shares of General Aniline & Film Corporation, and in a Statement of Terms and Conditions, issued by the Attorney General. The Announcement, and the Statement of Terms and Conditions, together with the Questionnaire for Prospective Bidders, and the Form of Bid (including the forms of Purchase Agreement and Agreement with the Company) on which bids must be submitted, are filed as exhibits to the Registration Statement and should be examined by prospective bidders. Copies of each of the above-mentioned documents may be obtained in reasonable quantities from the Office of Alien Property, Department of Justice, 101 Indiana Avenue, N.W., Washington 25, D. C.

LITIGATION

There are no material pending legal proceedings to which the Company or any of its subsidiaries is a party or of which any of their property is the subject.

COUNSEL

Legal matters in connection with the securities offered hereby will be passed upon for the prospective bidders by Messrs. Simpson Thacher & Bartlett, 120 Broadway, New York 5, New York and for the Company by Messrs. Winthrop, Stimson, Putnam & Roberts, 40 Wall Street, New York 5, New York.

EXPERTS

The financial statements and schedules included herein and in the Registration Statement for the three years and eight months ended August 31, 1956, the information for the ten years and eight months ended August 31, 1956 set forth under the caption "Summary of Earnings" and the information set forth under the caption "Historical Financial Information" have been included herein and in the Registration Statement in reliance upon the certificate and letters of opinion of Arthur Andersen & Co., independent public accountants, and upon the authority of said firm as experts in making such certificate and letters of opinion.

CERTIFICATE OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors,
General Aniline & Film Corporation:

We have examined the consolidated balance sheet of General Aniline & Film Corporation (a Delaware corporation) and subsidiary companies as of August 31, 1956, and the related statements of consolidated profit and loss and earned surplus for the three years and eight months then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and related statements of consolidated profit and loss and earned surplus present fairly the financial position of the Company and its subsidiaries as of August 31, 1956, and the results of their operations for the three years and eight months then ended, and were prepared in conformity with generally accepted accounting principles consistently applied during the period.

We have also examined the summary of earnings of the Company and subsidiary companies included under the caption "Summary of Earnings" for the ten years and eight months ended August 31, 1956. In our opinion, the "Summary of Earnings" presents fairly the results of operations of the companies for the ten years and eight months ended August 31, 1956.


ARTHUR ANDERSEN & Co.

New York, N. Y.,
October 17, 1956.

**GENERAL ANILINE & FILM CORPORATION
AND SUBSIDIARY COMPANIES**

Consolidated Balance Sheets—August 31, 1956 and October 31, 1956

	August 31, 1956	October 31, 1956 (Unaudited)
ASSETS		
Current Assets:		
Cash	\$ 9,017,843	\$ 9,546,159
U. S. Government and other securities, at the lower of cost or market (quoted market value, \$20,450,790 at August 31, and \$20,148,488 at October 31)	20,450,790	20,127,951
Receivables—		
Trade	14,013,063	15,625,076
Other	903,304	930,631
Less—Reserve for doubtful accounts	(197,412)	(223,374)
Inventories, at the lower of average cost or market (Note 3)—		
Raw materials and supplies	12,235,798	11,476,437
Work in process	19,954,434	19,981,060
Finished goods	18,166,179	17,273,274
Total current assets	<u>\$ 94,543,999</u>	<u>\$ 94,737,214</u>
 Prepaid Expenses and Deferred Charges:		
Prepaid insurance, taxes, etc.	\$ 1,753,355	\$ 1,357,660
Deferred tooling cost	1,044,708	1,007,750
Leasehold improvements (Note 4)	104,109	106,283
	<u>\$ 2,902,172</u>	<u>\$ 2,471,693</u>
 Investments:		
Marketable securities deposited under Workmen's Compensation Law, at lower of cost or market	\$ 449,322	\$ 446,318
Investment in common stock of I. G. Chemie	30,945	30,945
Other	83,052	83,052
	<u>\$ 563,319</u>	<u>\$ 560,315</u>
 Property, Plant and Equipment, at cost (Note 4):		
Land and land improvements	\$ 2,028,806	\$ 2,147,728
Buildings and building equipment	31,938,920	32,444,084
Machinery and equipment	62,875,165	63,466,348
Construction in progress	5,723,916	5,804,421
	<u>\$102,566,807</u>	<u>\$103,862,581</u>
Less—Reserves for depreciation	40,406,151	41,124,969
	<u>\$ 62,160,656</u>	<u>\$ 62,737,612</u>
 Patents, Trade-Marks and Formulas, at nominal value	<u>\$ 1</u>	<u>\$ 1</u>
	<u>\$160,170,147</u>	<u>\$160,506,835</u>

The accompanying notes to financial statements are an integral part of these balance sheets.

**GENERAL ANILINE & FILM CORPORATION
AND SUBSIDIARY COMPANIES**

Consolidated Balance Sheets—August 31, 1956 and October 31, 1956

	August 31, 1956	October 31, 1956 (Unaudited)
LIABILITIES		
Current Liabilities:		
Current maturities of long-term debt	\$ 1,500,000	\$ 1,500,000
Accounts payable—		
Trade	4,553,048	3,934,489
Other	1,100,137	735,491
Accrued expenses—		
Pay roll	1,872,556	2,320,213
Interest	456,937	294,896
Taxes, other than Federal taxes on income	641,548	631,571
Other	529,200	637,683
Taxes withheld at source	746,802	586,634
Reserves for workmen's compensation self-insurance, etc.	642,357	700,854
Reserve for Federal taxes on income (Note 5)	5,458,490	5,591,760
Total current liabilities	<u>\$ 17,501,075</u>	<u>\$ 16,933,591</u>
 Long-Term Debt (Current maturities shown above):		
2.95% note payable, due June 1, 1967 (annual prepayments of \$1,000,000 from 1958 to 1966, inclusive)	\$ 13,500,000	\$ 13,500,000
3½% notes payable, due March 1, 1972 (annual prepayments of \$500,000 from 1958 to 1960, inclusive, \$1,000,000 from 1961 to 1964, inclusive, and \$1,250,000 from 1965 to 1971, inclusive)	19,500,000	19,500,000
Total long-term debt	<u>\$ 33,000,000</u>	<u>\$ 33,000,000</u>
Total liabilities	<u>\$ 50,501,075</u>	<u>\$ 49,933,591</u>
 Capital Stock and Surplus:		
Capital stock (Note 6)—		
Common A Shares of no par value, stated at \$25 per share, authorized 3,000,000 shares, issued 594,786 shares (preference on liquidation \$75 per share or \$44,455,655 on 592,742.1 shares outstanding)	\$ 14,869,650	\$ 14,869,650
Common B Shares at \$1 par value, authorized and issued 3,000,000 shares...	3,000,000	3,000,000
Capital surplus (no change during period)	12,902,432	12,902,432
Earned surplus (\$63,903,924 at August 31, and \$64,084,758 at October 31 was restricted as to payment of dividends under loan agreement) (Note 7)	79,963,342	80,867,514
Total capital stock and surplus	<u>\$110,735,424</u>	<u>\$111,639,596</u>
Deduct—Stock held in treasury—		
Common A Shares 2,043.9 shares, at cost	\$ 116,352	\$ 116,352
Common B Shares 950,000 shares, at par value of \$1 per share (cost \$1,900,000)	950,000	950,000
Total stock held in treasury	<u>\$ 1,066,352</u>	<u>\$ 1,066,352</u>
Total capital stock and surplus	<u>\$109,669,072</u>	<u>\$110,573,244</u>
Total assets	<u>\$160,170,147</u>	<u>\$160,506,835</u>

The accompanying notes to financial statements are an integral part of these balance sheets.

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

Statements of Consolidated Profit and Loss

For the Three Years and Eight Months Ended August 31, 1956
and the Two Months Ended October 31, 1956

	Year Ended December 31			Eight Months Ended August 31, 1956 (Note 13)	Two Months Ended October 31, 1956 (Unaudited) (Note 13)
	1953 (Note 9)	1954	1955		
Net sales	\$109,600,217	\$104,964,134	\$121,247,877	\$85,264,939	\$23,299,272
Cost of goods sold (Note 3)	75,343,968	70,974,777	81,430,486	57,328,147	16,080,226
Gross profit	\$ 34,256,249	\$ 33,989,357	\$ 39,817,391	\$27,936,792	\$ 7,219,046
Operating expenses:					
Distribution and selling expenses	\$ 18,236,245	\$ 18,706,861	\$ 20,166,294	\$14,279,253	\$ 3,651,000
Research and development ex- penses	5,189,077	5,751,855	5,796,803	3,492,118	759,817
Administrative and general ex- penses	3,171,650	3,323,185	3,467,715	2,490,768	609,536
Provision for doubtful accounts	136,376	128,205	100,963	51,144	31,105
	\$ 26,733,348	\$ 27,910,106	\$ 29,531,775	\$20,313,283	\$ 5,051,458
Operating profit	\$ 7,522,901	\$ 6,079,251	\$ 10,285,616	\$ 7,623,509	\$ 2,167,588
Other deductions (income):					
Interest on borrowed capital ...	\$ 1,233,813	\$ 1,207,250	\$ 1,157,250	\$ 764,125	\$ 187,958
Sales discounts	1,017,635	951,900	1,025,891	721,582	170,046
Income from securities (net)...	(559,255)	(560,688)	(295,297)	(327,203)	(81,681)
Income from royalties.....	(322,623)	(306,213)	(461,227)	(501,624)	(98,253)
Purchase discounts	(260,585)	(241,992)	(285,521)	(199,602)	(45,683)
Miscellaneous (net)	(65,809)	(190,007)	(86,443)	(168,044)	29
	\$ 1,043,176	\$ 860,250	\$ 1,054,653	\$ 289,234	\$ 132,416
Profit before Federal and state taxes on income..	\$ 6,479,725	\$ 5,219,001	\$ 9,230,963	\$ 7,334,275	\$ 2,035,172
Provision for taxes on income:					
Federal normal and surtax.....	\$ 3,380,000	\$ 2,510,000	\$ 4,718,000	\$ 3,808,000	\$ 1,053,000
State	250,000	190,000	296,000	253,000	78,000
	\$ 3,630,000	\$ 2,700,000	\$ 5,014,000	\$ 4,061,000	\$ 1,131,000
Net profit	\$ 2,849,725	\$ 2,519,001	\$ 4,216,963	\$ 3,273,275	\$ 904,172

The accompanying notes to financial statements are an integral part of these statements.

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

**Statements of Consolidated Earned Surplus
For the Three Years and Eight Months Ended August 31, 1956
and the Two Months Ended October 31, 1956**

	<u>Year Ended December 31</u>			<u>Eight Months Ended August 31, 1956</u>	<u>Two Months Ended October 31, 1956 (Unaudited)</u>
	<u>1953</u>	<u>1954</u>	<u>1955</u>		
Balance at Beginning of Period (Note 9)	\$61,088,580	\$70,153,539	\$72,473,104	\$76,690,067	\$79,963,342
Add:					
Earned surplus of General Dyestuff Corporation and subsidiary (Note 2)—					
Earned surplus as of October 31, 1953 (date of acquisition), less \$759,325 transferred to capital stock	\$7,164,904				
Deduct — Net profit of General Dyestuff Corporation for the ten months ended October 31, 1953 (included in consolidated net profit for 1953)	359,379				
	\$6,805,525				
Earned surplus of General Dyestuff Realty Co., Inc., a subsidiary, as of December 31, 1952	158,638	6,964,163	—	—	—
Net profit for the period (Note 9)	2,849,725	2,519,001	4,216,963	3,273,275	904,172
	<u>\$70,902,468</u>	<u>\$72,672,540</u>	<u>\$76,690,067</u>	<u>\$79,963,342</u>	<u>\$80,867,514</u>
Deduct:					
Dividends —					
Common A Shares—\$1.00 per share in 1953 and \$0.25 in 1954	\$ 543,929	\$ 148,186	\$ —	\$ —	\$ —
Common B shares—\$0.10 per share in 1953 and \$0.025 in 1954	205,000	51,250	—	—	—
	<u>\$ 748,929</u>	<u>\$ 199,436</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Balance at End of Period (Note 7)	<u>\$70,153,539</u>	<u>\$72,473,104</u>	<u>\$76,690,067</u>	<u>\$79,963,342</u>	<u>\$80,867,514</u>

The accompanying notes to financial statements are an integral part of these statements.

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

Notes to Financial Statements

(1) Principles of consolidation:

All subsidiaries are included in the consolidated financial statements and all are wholly owned. All inter-company balances and items of income and expense have been eliminated. The accounts of the Company's Canadian subsidiary have been translated into U. S. dollars at par. The assets and results of operations of such subsidiary are not material in relation to total consolidated assets and net profits.

The Company's equity in the net assets of subsidiaries consolidated, as of August 31, 1956, and October 31, 1956, as shown by the books of the latter, was \$2,057,875 and \$2,112,400, respectively, in excess of the investments in such subsidiaries. In consolidation these amounts have been added to earned surplus.

(2) Exchange of stock and subsequent merger with General Dyestuff Corporation:

As of October 31, 1953, the Company exchanged 65,085 of its Common A Shares for all of the capital stock of General Dyestuff Corporation which, since 1927, had been the exclusive selling agent for dyestuffs manufactured by the Company and its predecessor. The investment was recorded on the basis of the net assets shown by the books of General Dyestuff Corporation as of October 31, 1953.

The earned surplus of General Dyestuff Corporation at the date of exchange of capital stock amounted to \$7,924,229. In consolidation, this amount, less the excess (\$759,325) of the stated value of the Company's shares issued in the exchange over the par value of the outstanding shares of General Dyestuff Corporation acquired, has been added to consolidated earned surplus. General Dyestuff Corporation was merged into the Company as of June 30, 1954.

In the accompanying financial statements, the results of operations of General Dyestuff Corporation have been included in the statement of consolidated profit and loss for the entire year 1953.

(3) Inventories:

Inventories are priced at the lower of cost or market. Cost represents, in general, average actual cost and market represents replacement cost or net realizable value.

The following inventory amounts, based on physical inventories taken during the latter part of the periods to August 31, 1956, were used in computing cost of sales:

December 31, 1952	\$51,532,351
December 31, 1953	48,215,989
December 31, 1954	47,373,929
December 31, 1955	48,748,702
August 31, 1956	50,356,411
October 31, 1956	<u>48,730,771</u>

(4) Depreciation and amortization policy:

It is the policy of the companies to provide for depreciation and amortization of fixed assets generally at straight-line rates based on the estimated service lives of the property. The ranges of depreciation rates, generally, were as follows:

Land improvements	4% - 10%
Buildings and building equipment	2% - 7%
Machinery and equipment	<u>3% - 10%</u>

Maintenance and repairs, and minor renewals and betterments are charged directly to profit and loss. New additions and the more important renewals and betterments are capitalized.

Upon the sale or retirement of property, plant and equipment, the cost and related accumulated depreciation are removed from the accounts; the resulting profit or loss is reflected in the statement of profit and loss.

Leasehold improvements are being amortized on a straight line basis over the terms of the respective leases.

(5) Reserve for Federal taxes on income:

Federal income tax returns of the Company are open for the years 1941 through 1955, with the years 1941 through 1949 presently under examination by the Internal Revenue Service. In the opinion of the Company's management, the excess, if any, of the deficiencies which may be assessed for the years

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

Notes to Financial Statements — (Continued)

under examination and the remaining open years, over the amounts provided therefor in the accounts, will not be material in relation to total assets or results of operations of the companies.

(6) Capital stock:

The Certificate of Incorporation of the Company, as amended, provides that in the case of liquidation or dissolution of the Company, holders of Common A Shares shall first receive not in excess of \$75 per share of the assets available for distribution and thereafter shall participate in any remaining assets, share for share, with holders of the Common B Shares. The aggregate of the preference on liquidation or dissolution in respect of the 592,742.1 Common A Shares outstanding at August 31, 1956, and at October 31, 1956, was \$29,637,103 in excess of the aggregate stated value of such stock. In the opinion of counsel for the Company, there are no restrictions upon surplus growing out of the fact that the amount to which the holders of the Common A Shares are entitled in liquidation exceeds the stated value thereof.

The Certificate of Incorporation, as amended, also provides that "for each one dollar (\$1.00) or fraction thereof, of dividends, declared and paid on each share of Common A Stock, dividends of ten (10) cents, or fraction thereof, shall be declared and paid on each share of Common B Stock, and no dividend shall be declared and paid on either Common A or Common B Stock, unless at the same time dividends as herein provided are declared and paid on both Common A and Common B Stock."

At August 31, 1956, and at October 31, 1956, title to 540,894 of the 592,742.1 Common A Shares then outstanding and all of the Common B Shares then outstanding was vested in the Attorney General of the United States.

(7) Dividend restriction:

The loan agreement with respect to the 3½% notes payable provides, among other things, for certain restrictions on the payment of dividends (other than dividends payable in capital stock of the Company). In general, the restrictions limit the payment of dividends after December 31, 1950, to \$1,000,000 plus 80% of consolidated net income earned subsequent to that date, less the excess of amounts paid for redemption or retirement of capital stock of the Company subsequent to December 31, 1950, over the net cash proceeds of sales of capital stock since that date. Also, to permit payment of dividends, and after giving effect thereto, consolidated working capital may be not less than \$50,000,000, and may be not less than 133% of consolidated funded indebtedness, and consolidated net tangible assets may be not less than 250% of consolidated funded indebtedness. As of August 31, 1956, and October 31, 1956, earned surplus of \$63,903,924 and \$64,084,758, respectively, was restricted as to payment of dividends under the above mentioned provisions.

The agreement relating to the 2.95% note payable also provides for restrictions on the payment of dividends, but the amount of earned surplus so restricted is less than that shown above.

(8) Contingent liabilities and commitments:

At August 31, 1956, and at October 31, 1956, there were certain civil lawsuits and claims pending against the Company, as a result of which, in the opinion of management, no material loss will be sustained.

The companies are obligated under long-term leases as follows:

<u>Real property leases expiring in:</u>		<u>Aggregate Annual Rental</u>
2- 5 years		\$263,000
6-10 years		210,000
11-15 years		21,000

At August 31, 1956, and at October 31, 1956, the Company had commitments of approximately \$5,250,000 and \$4,700,000, respectively, for the acquisition of property, plant and equipment.

(9) Retroactive application of direct surplus charges and credits:

Certain direct surplus charges and credits (net charge, \$343,527) made in 1954 to record the liability for vacation pay and certain other expenses as of January 1, 1954, and to adjust renegotiation and other reserves provided in prior years, have been retroactively applied in the accompanying financial statements. As a result of such retroactive application, the net profit for the year 1953 shown in the accompanying statement of consolidated profit and loss and the balance of consolidated earned surplus at the beginning of 1953 are \$108,706 and \$234,821, respectively, less than the amounts previously reported to stockholders.

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

Notes to Financial Statements — (Continued)

(10) Retirement plan:

The Company adopted a retirement plan effective as of January 1, 1944. All regular employees are eligible to join the plan upon completion of two years of service and attainment of age 25. The plan is supported by the joint contributions of the participating employees and the companies. A participating employee under age 65 contributes an amount equal to 2% of each year's annual compensation not in excess of \$3,000, plus 4% of each year's compensation in excess of \$3,000. The companies make all other contributions necessary, as determined by actuarial computation, to provide the benefits under the plan.

The companies' contributions to the plan, for the three years and eight months ended August 31, 1956, and for the two months ended October 31, 1956, were as follows: 1953, \$1,111,569; 1954, \$741,099; 1955, \$975,532; eight months ended August 31, 1956, \$651,684; two months ended October 31, 1956, \$163,930. Funding of past service costs was completed in 1953 with a payment in that year of \$82,738.

(11) Executive incentive compensation plan:

The Company has an incentive compensation plan which provides that, in its discretion, the Board of Directors may credit to the incentive compensation fund as soon as practicable after the close of each calendar year, an amount equal to 6% of the excess (if any) of adjusted consolidated net profit before taxes over 6% of the consolidated net worth at the beginning of the year for which the computation is being made. Awards from such fund are granted by the Board of Directors and are generally payable 50% in the year of award and the balance in installments over a period of two to four years as determined by the Board of Directors. The amount set aside for the incentive compensation fund for the calendar year 1955, the first year of the plan's operation, was \$168,254. This amount was provided for in the accounts in 1956.

(12) Supplementary profit and loss information:

	Charged Directly to Profit and Loss				
	Years Ended December 31			Eight Months Ended August 31, 1956	Two Months Ended October 31, 1956 (Unaudited)
	1953	1954	1955		
Maintenance and repairs	\$6,317,938	\$6,054,202	\$6,758,928	\$4,994,991	\$1,251,220
Depreciation and amortization of fixed assets	3,819,064	3,873,097	4,063,723	3,045,239	786,543
Amortization of leasehold improvements	87,496	111,029	95,150	64,453	5,544
Taxes, other than income and excess profits taxes:					
Social security and unemployment	969,478	976,185	989,725	794,531	113,323
Real estate and personal property	848,323	864,378	915,318	642,537	158,963
Other	163,390	136,997	171,443	144,458	24,710
Management and service contract fees	None	None	None	None	None
Rents	549,748	588,493	643,129	469,415	119,735
Royalties	92,311	70,221	47,140	26,267	23,036

The above amounts were charged directly to profit and loss in the respective periods. Segregation between charges to cost of goods sold and to expenses is not practicable.

(13) Profit and loss for interim periods in 1956:

The figures for the eight months ended August 31, 1956, and for the two months ended October 31, 1956, do not necessarily furnish a basis for estimating the results of operations for the full year 1956.

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

Item 22. Marketing Arrangements.

None.

Item 23. Other Expenses of Issuance and Distribution.

The Attorney General of the United States will reimburse the Company for the following estimated expenses:

Registration fee under Securities Act of 1933	\$11,615
"Blue Sky" fees and expenses	
Auditors' fees and expenses	
Attorneys' fees and disbursements—counsel for the Company ..	
Printing	
Total	\$

The successful bidder or bidders will be required to pay all state and federal stock transfer taxes on the transfer of the securities from the Attorney General of the United States.

The successful bidder or bidders will also agree to pay, in addition to the amount of his or their bids, a certain amount (to be specified by the Attorney General of the United States in advance of the bidding) to cover certain expenses, disbursements and fees incurred by the Attorney General in connection with the sale of the securities, including some of those listed above. It is impossible to estimate accurately at this time the total amount which will be so specified, but it is expected to include fees for counsel for the prospective bidders estimated at \$ together with disbursements.

All of the foregoing (other than the registration fee) are preliminary estimates only. The Attorney General has not examined the foregoing statement of expenses or fees for legal, accounting and other services and has not as yet either approved or disapproved these estimates.

Item 24. Relationship with Registrant of Experts Named in Registration Statement.

None.

Item 25. Sales to Special Parties.

None.

Item 26. Recent Sales of Unregistered Securities.

None.

Item 27. Subsidiaries of Registrant.

See "Description of Business" in the Prospectus.

Item 28. Franchises and Concessions.

None.

Item 29. Indemnification of Directors and Officers.

Section 122, Title 8 of the Delaware Code of 1953 provides as follows:

122. Specific powers

Every corporation created under the provisions of this chapter shall have power to —

* * *

(10) Indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters as to which any such director or officer or former director or

officer or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any by-law, agreement, vote of stockholders, or otherwise.

Article VII of the By-Laws of the Company, as amended, provides as follows:

ARTICLE VII.

Limitation of Liability and Indemnification of Directors, Officers and Certain Representatives of the Corporation.

No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith, if such person (a) exercised or used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took or omitted to take such action in reliance upon advice of counsel for the Corporation or upon statements made or information furnished by officers or employees of the Corporation or by accountants, auditors or by other experts employed by the Corporation which he had reasonable grounds to believe.

Each director and officer and each former director and officer of the Corporation, and any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, shall, except as hereinafter provided, be indemnified by the Corporation against expenses actually and necessarily incurred by him in connection with the defense of any civil or criminal action, suit or proceeding in which he is made a party by reason of being or having been a director or officer of the Corporation, or of such other corporation, except expenses incurred in relation to matters as to which such director or officer or former director or officer or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty.

In the event of the settlement of any such action, suit or proceeding any such director or officer or such person shall be indemnified by the Corporation against such expenses so incurred by him in connection with the defense of such action, suit or proceeding, including any amount paid in settlement thereof other than to the Corporation or such other corporation, but only expenses incurred in relation to matters as to which it shall be determined by a court of competent jurisdiction or by resolution duly adopted by a majority of the disinterested members of the Board of Directors, or of a disinterested group of three or more persons to whom the question may be referred by the Board of Directors, that such director or officer or such person was not negligent or guilty of misconduct in the performance of duty. In determining whether or not any such director or officer or such person was negligent or guilty of misconduct in the performance of duty, the disinterested members of the Board of Directors or such group may rely conclusively upon an opinion as to both facts and law by independent legal counsel selected by them. The foregoing right of indemnification shall not be exclusive of other rights to which those indemnified may be entitled as a matter of law, but shall apply only to civil or criminal actions, suits or proceedings in respect of acts or transactions occurring after March 16, 1942.

The Corporation may from time to time advance to any director or officer or any former director or officer of the Corporation and any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, funds in payment of expenses actually and necessarily incurred by him in connection with the defense of any civil or criminal action, suit or proceeding, or in connection with any appeal therefrom or settlement thereof, including any amount paid in settlement thereof other than to the Corporation, in which he is made a party by reason of being or having been a director or officer of the Corporation or

such other corporation, upon resolution duly adopted by a majority of the disinterested members of the Board of Directors, or of a disinterested group of three or more persons to whom the question may be referred by the Board of Directors, that such director, officer or such person was not negligent or guilty of misconduct in the performance of duty; provided, however, that any amounts so advanced shall be credited against any amounts payable in indemnification as hereinabove provided and that any amounts so advanced in excess of such amounts ultimately payable in indemnification shall be repayable to the Corporation upon demand. In determining whether or not any such director or officer or such person was negligent or guilty of misconduct in the performance of duty, the disinterested members of the Board of Directors or such group may rely conclusively upon an opinion as to both facts and law by independent legal counsel selected by them.

In so far as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities is asserted by a director, officer or controlling person of the Company in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Reference is made to the provisions of the Special Order or Orders issued by the Attorney General referred to under "Registration Statement" in the Prospectus and to the provisions thereof concerning the exculpation from liability of the Company, its officers and directors in connection with actions taken, acts done or omissions by them in good faith pursuant thereto.

Item 30. Treatment of Proceeds from Stock Being Registered.

Inapplicable.

Item 31. Financial Statements and Exhibits.

(a) Financial Statements:

The following items are included in the Prospectus:

Certificate of Independent Public Accountants
Consolidated Balance Sheets—August 31, 1956 and October 31, 1956
Statements of Consolidated Profit and Loss for the Three Years and Eight Months Ended August 31, 1956 and the Two Months Ended October 31, 1956
Statements of Consolidated Earned Surplus for the Three Years and Eight Months Ended August 31, 1956 and the Two Months Ended October 31, 1956
Notes to Financial Statements

Included in Part II:

Opinion of Independent Public Accountants Relating to Schedules

The following schedules:

V — Property, Plant and Equipment
VI — Reserves for Depreciation and Amortization of Property, Plant and Equipment
XII — Reserves
XIII — Capital Shares

Historical Financial Information

Opinion of Independent Public Accountants Relating to Historical Financial Information

The information required by Schedule IX — Bonds, Mortgages and Similar Debt is furnished in the balance sheet and the information required by Schedule XVI—Supplementary Profit and Loss Information is shown in Note 12 to the financial statements. The following schedules are omitted for the reason that they are not applicable or are not required:

- I — Marketable Securities—Other Security Investments
- II — Amounts due from Directors, Officers and Principal Holders of Equity Securities other than Affiliates
- III — Investments in Securities of Affiliates
- IV — Indebtedness of Affiliates—Not Current
- VII — Intangible Assets
- VIII — Reserves for Depreciation and Amortization of Intangible Assets
- X — Indebtedness to Affiliates—Not Current
- XI — Guarantees of Securities of Other Issuers
- XIV — Warrants or Rights
- XV — Other Securities
- XVII — Income from Dividends—Equity in Net Profit or Loss of Affiliates

Individual financial statements of the registrant are omitted as not being required since the registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements filed are totally-held subsidiaries.

Financial statements for 50 per cent-owned companies have been omitted as not being required since all such 50 per cent-owned companies, considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary.

(b) Exhibits:

- 1(a) Announcement with Respect to Sale.
- 1(b) Questionnaire for Prospective Bidders.
- 1(c) Statement of Terms and Conditions Relating to Bids.
- 1(d) Form of Bid for Purchase of Securities, including forms of Purchase Agreement and Agreement with the Company.
- 2 None.
- 3(a) Copy of Certificate of Incorporation, as amended to date.
- 3(b) Draft of proposed Certificate of Amendment of Certificate of Incorporation.
- 3(c) Copy of By-Laws of the Company, as amended to date.
- 4(a) Form of certificates for Common A and Common B Shares.
- 4(b) Form of certification for issuance or transfer of restricted stock.
- 4(c) Copy of Loan Agreement with Metropolitan Life Insurance Company dated July 10, 1947, as amended.
- 4(d) Copy of Loan Agreement with Metropolitan Life Insurance Company dated July 5, 1951, as amended.
- 5 None.
- 6 Opinion of Winthrop, Stimson, Putnam & Roberts, counsel for the Company, as to legality of the shares registered hereunder.
- 7 None.
- 8 None.
- 9 Opinion of Winthrop, Stimson, Putnam & Roberts, counsel for the Company, as to restrictions on surplus.
- 10 None.
- 11(a) Copy of Retirement Plan effective January 1, 1944, as amended.
- 11(b) Copy of Trust Agreement with Bankers Trust Company, as Trustee, as amended, relating to the Retirement Plan for Employees.
- 11(c) Copy of Executive Incentive Compensation Plan, as amended.

- 12 Indemnification Provisions contained in Article VII of the By-Laws of the Company are set forth in Item 29 above, to which reference is hereby made.
- 13(a) Copies of Employment Contracts with the following officers:
- (i) John H. Hilldring, President, dated March 28, 1956.
 - (ii) Francis A. Gibbons, Executive Vice President, dated October 10, 1955.
 - (iii) Philip M. Dinkins, Vice President, dated May 31, 1955.
 - (iv) Leopold F. Eckler, Vice President, dated April 1, 1955.
 - (v) James Forrestal, Vice President, dated May 7, 1954.
 - (vi) Matthew M. Gouger, Vice President, dated October 10, 1955.
 - (vii) Walter A. Hensel, Vice President, dated September 25, 1956.
- 13(b) Copies of the following Leases:
- (i) The Rector, Churchwardens and Vestrymen of Trinity Church in the City of New York, dated February 17, 1956, for space at 435 Hudson Street, New York, N. Y.
 - (ii) The New York Central Railroad Company, dated June 29, 1956, as amended, for space at 230 Park Avenue, New York, N. Y.
- 14(a) Copies of the following Vesting Orders:
- (i) No. 5, dated April 24, 1942.
 - (ii) No. 248, dated October 20, 1942.
 - (iii) No. 907, dated February 15, 1943.
 - (iv) No. 10833, dated March 15, 1948.
 - (v) No. 15838, dated November 20, 1950.
 - (vi) No. 17007, dated January 11, 1951.
 - (vii) No. 17676, dated April 11, 1951.
 - (viii) No. 18112, dated July 2, 1951.
- 14(b) Copies of the following Executive Orders:
- (i) No. 9095, dated March 11, 1942, as amended July 6, 1942.
 - (ii) No. 9788, dated October 14, 1946.
- 14(c) Copies of the following letters of authorization:
- (i) Letter dated January 4, 1943.
 - (ii) Letter dated January 5, 1943.
- 15(a) Draft of Special Order of the Attorney General of the United States in regard to amendment to Certificate of Incorporation.
- 15(b) Special Order No. 35 dated January 14, 1957 of the Attorney General of United States directing filing of Registration Statement.
- (c) **Statement of eligibility and qualification of each person designated to act as a trustee under an indenture to be qualified under the Trust Indenture Act of 1939.**
- Not applicable.

UNDERTAKING TO FILE REPORTS

Subject to the terms and conditions of Section 15(d) of the Securities Exchange Act of 1934, the undersigned registrant hereby undertakes to file with the Securities and Exchange Commission such supplementary and periodic information, documents, and reports as may be prescribed by any rule or regulation of the Commission heretofore or hereafter duly adopted pursuant to authority conferred in that section.

UNDERTAKING TO FILE AMENDMENT AND TO DISTRIBUTE PROSPECTUSES

The undersigned registrant hereby undertakes (i) to file an amendment to the registration statement reflecting the results of bidding, the terms of the reoffering and related matters to the extent required by Form S-1, not later than the first use, authorized by the registrant after the opening of bids, of a prospectus relating to the securities offered at competitive bidding, unless no further public offering of such securities by the registrant and no reoffering of such securities by the purchasers is proposed to be made, and (ii) to use its best efforts to distribute prior to the opening of bids, to prospective bidders, underwriters and dealers a reasonable number of copies of a prospectus which at that time meets the requirements of Section 10(a) of the Act, and relating to the securities offered at competitive bidding, as contained in the registration statement, together with any supplements thereto.

Each person whose signature appears below hereby authorizes the agent for service named in the registration statement to execute in the name of each such person, and to file, an amendment to the registration statement pursuant to the above undertaking, which amendment may make such other changes in the registration statement as the registrant deems appropriate.

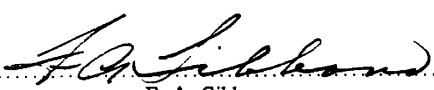
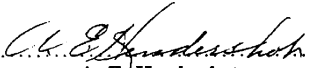

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, and State of New York on the 14th day of January, 1957.

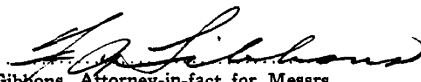
GENERAL ANILINE & FILM CORPORATION

By.....
F. A. Gibbons (Executive Vice-President)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
J. H. HILLDRING*	President and Director	January 14, 1957
J. H. Hilldring	(Principal Executive Officer)	
 F. A. Gibbons	Executive Vice-President and Director (Principal Financial Officer)	January 14, 1957
 A. E. Hendershot	Treasurer	January 14, 1957
 A. J. Young	Controller	January 14, 1957
..... Norman Biltz	Director	January 14, 1957
..... Elmer H. Bobst	Director	January 14, 1957
JOHN M. BUDINGER* John M. Budinger	Director	January 14, 1957
LUCIUS D. CLAY* Lucius D. Clay	Director	January 14, 1957
PHILIP M. DINKINS* Philip M. Dinkins	Director	January 14, 1957
..... Melvin C. Eaton	Director	January 14, 1957
..... Horace C. Flanigan	Director	January 14, 1957
JAMES FORRESTAL* James Forrestal	Director	January 14, 1957
ROBERT HELLER* Robert Heller	Director	January 14, 1957

<u>Signature</u>	<u>Title</u>	<u>Date</u>
THOMAS A. MORGAN* Thomas A. Morgan	Director	January 14, 1957
WINSTON PAUL* Winston Paul	Director	January 14, 1957
ARTHUR E. PETTIT* Arthur E. Pettit	Director	January 14, 1957
G. SCHUYLER TARBELL, JR.* G. Schuyler Tarbell, Jr.	Director	January 14, 1957
ROBERT R. WILLIAMS* Robert R. Williams	Director	January 14, 1957

*By 
 F. A. Gibbons, Attorney-in-fact for Messrs.
 Hildring, Budinger, Clay, Dinkins, For-
 restal, Heller, Morgan, Paul, Pettit, Tar-
 bell and Williams.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We hereby consent to the use in the Registration Statement of our certificate dated October 17, 1956, relating to the consolidated financial statements for the three years and eight months ended August 31, 1956, and "Summary of Earnings" for the ten years and eight months ended August 31, 1956, of General Aniline & Film Corporation and subsidiary companies, and to the reference to our firm under the headings "Summary of Earnings" and "Experts". We also consent to the use of our letters of opinion dated October 17, 1956, relating to the schedules for the three years and eight months ended August 31, 1956, supporting the consolidated financial statements and to the "Historical Financial Information" included in the Registration Statement.

Arthur Andersen & Co.
ARTHUR ANDERSEN & Co.

New York, N. Y.,
January 14, 1957.

OTHER CONSENTS

The consents of Winthrop, Stimson, Putnam & Roberts are included in their opinions filed as Exhibits 6 and 9 to the Registration Statement.

LETTER OF OPINION OF INDEPENDENT PUBLIC ACCOUNTANTS

In connection with our examination of the consolidated financial statements of General Aniline & Film Corporation and subsidiary companies which are included in the Prospectus, we have also examined the schedules for the three years and eight months ended August 31, 1956, as shown in Item 31(a) above, which support such financial statements, and in our opinion, such schedules present fairly the financial data required to be set forth therein.

Arthur Andersen & Co.
ARTHUR ANDERSEN & Co.

New York, N. Y.,
October 17, 1956.

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

Schedule V—Property, Plant and Equipment

For the Three Years and Eight Months Ended August 31, 1956
and the Two Months Ended October 31, 1956

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements or Sales	Other Changes Debits or (Credits)	Balance at Close of Period
Year Ended December 31, 1953					
Land	\$ 1,223,198	\$ 9,804	\$ 6,147	\$ —	\$ 1,226,855
Land improvements	433,980	59,111	844	(1) 729	492,976
Buildings and building equipment	27,270,308	1,094,073	93,274	(1) (12,468)	28,258,639
Machinery and equipment	48,000,287	3,310,878	1,228,402	(1) 11,739	50,094,502
Construction in progress	2,752,579	(459,986)	—	—	2,292,593
	<u>(2) \$79,680,352</u>	<u>\$ 4,013,880</u>	<u>\$1,328,667</u>	<u>\$ —</u>	<u>\$ 82,365,565</u>
Year Ended December 31, 1954					
Land	\$ 1,226,855	\$ 88,957	\$ 73,300	\$ —	\$ 1,242,512
Land improvements	492,976	13,088	1,775	(1) 803	505,092
Buildings and building equipment	28,258,639	515,320	579,245	(1) (10,940)	28,183,774
Machinery and equipment	50,094,502	2,755,141	1,226,082	(1) 10,137	51,633,698
Construction in progress	2,292,593	1,100,101	—	—	3,392,694
	<u>\$82,365,565</u>	<u>\$ 4,472,607</u>	<u>\$1,880,402</u>	<u>\$ —</u>	<u>\$ 84,957,770</u>
Year Ended December 31, 1955					
Land	\$ 1,242,512	\$ 20,238	\$ —	\$ —	\$ 1,262,750
Land improvements	505,092	12,941	2,734	(1) 1,102	516,401
Buildings and building equipment	28,183,774	1,349,553	141,379	—	29,391,948
Machinery and equipment	51,633,698	4,010,408	1,081,860	(1) (1,102)	54,561,144
Construction in progress	3,392,694	7,634,473	—	—	11,027,167
	<u>\$84,957,770</u>	<u>\$13,027,613</u>	<u>\$1,225,973</u>	<u>\$ —</u>	<u>\$ 96,759,410</u>
Eight Months Ended August 31, 1956					
Land	\$ 1,262,750	\$ 246,791	\$ 11,500	\$ —	\$ 1,498,041
Land improvements	516,401	18,510	4,146	—	530,765
Buildings and building equipment	29,391,948	2,867,301	319,557	(1) (772)	31,938,920
Machinery and equipment	54,561,144	9,201,318	888,069	(1) 772	62,875,165
Construction in progress	11,027,167	(5,303,251)	—	—	5,723,916
	<u>\$96,759,410</u>	<u>\$ 7,030,669</u>	<u>\$1,223,272</u>	<u>\$ —</u>	<u>\$102,566,807</u>
Two Months Ended October 31, 1956 (Unaudited)					
Land	\$ 1,498,041	\$ 110,993	\$ —	\$ —	\$ 1,609,034
Land improvements	530,765	7,929	—	—	538,694
Buildings and building equipment	31,938,920	505,878	714	—	32,444,084
Machinery and equipment	62,875,165	662,479	71,296	—	63,466,348
Construction in progress	5,723,916	80,505	—	—	5,804,421
	<u>\$102,566,807</u>	<u>\$ 1,367,784</u>	<u>\$ 72,010</u>	<u>\$ —</u>	<u>\$103,862,581</u>

NOTES:

(1) Transfers between accounts.

(2) Includes the fixed assets (\$1,247,510 as of January 1, 1953) of General Dyestuff Corporation and subsidiary, acquired by the Company as of October 31, 1953. (See Note 2 to financial statements.)

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

Schedule VI—Reserves for Depreciation and Amortization
of Property, Plant and Equipment

For the Three Years and Eight Months Ended August 31, 1956
and the Two Months Ended October 31, 1956

Column A	Column B	Column C		Column D		Column E
Description	Balance at Beginning of Period	Additions		Deductions from Reserve		Balance at Close of Period
		Charged to Profit and Loss	Charged to Other Accounts	Retirements, Renewals and Replacements	Other	
Year Ended December 31, 1953						
Land improvements	\$ 197,359	\$ 23,252	(1) \$ 29	\$ 844	\$ —	\$ 219,796
Buildings and building equipment	8,697,943	835,159	(1) (917)	70,459	—	9,461,726
Machinery and equipment	21,099,700	2,960,653	(1) 888	1,026,932	—	23,034,309
	<u>(2) \$29,995,002</u>	<u>\$3,819,064</u>	<u>\$ —</u>	<u>\$1,098,235</u>	<u>\$ —</u>	<u>\$32,715,831</u>
Year Ended December 31, 1954						
Land improvements	\$ 219,796	\$ 26,411	(1) \$ 5	\$ 1,775	\$ —	\$ 244,437
Buildings and building equipment	9,461,726	822,530	(1) (1,174)	320,166	—	9,962,916
Machinery and equipment	23,034,309	3,024,156	(1) 1,169	1,052,322	—	25,007,312
	<u>\$32,715,831</u>	<u>\$3,873,097</u>	<u>\$ —</u>	<u>\$1,374,263</u>	<u>\$ —</u>	<u>\$35,214,665</u>
Year Ended December 31, 1955						
Land improvements	\$ 244,437	\$ 27,428	(1) \$ 9	\$ 2,684	\$ —	\$ 269,190
Buildings and building equipment	9,962,916	847,591	—	140,804	—	10,669,703
Machinery and equipment	25,007,312	3,188,704	(1) (9)	883,826	—	27,312,181
	<u>\$35,214,665</u>	<u>\$4,063,723</u>	<u>\$ —</u>	<u>\$1,027,314</u>	<u>\$ —</u>	<u>\$38,251,074</u>
Eight Months Ended August 31, 1956						
Land improvements	\$ 269,190	\$ 18,282	\$ —	\$ 1,711	\$ —	\$ 285,761
Buildings and building equipment	10,669,703	660,866	(1) 1,769	152,350	—	11,179,988
Machinery and equipment	27,312,181	2,366,091	(1) (1,769)	736,101	—	28,940,402
	<u>\$38,251,074</u>	<u>\$3,045,239</u>	<u>\$ —</u>	<u>\$ 890,162</u>	<u>\$ —</u>	<u>\$40,406,151</u>
Two Months Ended October 31, 1956 (Unaudited)						
Land improvements	\$ 285,761	\$ 4,697	\$ —	\$ —	\$ —	\$ 290,458
Buildings and building equipment	11,179,988	155,057	—	714	—	11,334,331
Machinery and equipment	28,940,402	626,789	—	67,011	—	29,500,180
	<u>\$40,406,151</u>	<u>\$ 786,543</u>	<u>\$ —</u>	<u>\$ 67,725</u>	<u>\$ —</u>	<u>\$41,124,969</u>

NOTES:

(1) Transfers between accounts.

(2) Includes reserves (\$527,054 as of January 1, 1953) of General Dyestuff Corporation and subsidiary, acquired by the Company as of October 31, 1953. (See Note 2 to financial statements.)

(3) See Note 4 to the financial statements for information as to the companies' depreciation and amortization policy.

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

Schedule XIII—Capital Shares

August 31, 1956 and October 31, 1956

F-4

Column A	Column B	Column C	Column D		Column E		Column F		Column G	Column H
Name of Issuer and Title of Issue	Number of Shares Authorized by Charter	Number of Shares Issued and Not Retired or Cancelled	Number of Shares Included in Column C, Which Are		Shares Outstanding As Shown on or Included in Related Balance Sheet Under Caption "Capital Stock"		Number of Shares Held by Affiliates for Which Statements are Filed Herewith		Number of Shares Reserved for Officers and Employees	Number of Shares Reserved for Options, Warrants, Conversions and Other Rights
			Held by or For Account of Issuer Thereof	Not Held By or For Account of Issuer Thereof	Number	Amount at Which Carried	Persons Included in Consolidated Statements	Other		
General Aniline & Film Corporation:										
Common A Shares—no par value	3,000,000	594,786	2,043.9	592,742.1	594,786	\$14,869,650	None	None	None	None
Common B Shares—\$1 par value	<u>3,000,000</u>	<u>3,000,000</u>	<u>950,000</u>	<u>2,050,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
NOTE: Information with respect to outstanding capital shares of subsidiaries is omitted as such subsidiaries are wholly-owned and are included in the consolidated financial statements, and the answers to Columns G and H would be "none."										

HISTORICAL FINANCIAL INFORMATION

Revaluation of Property:

During 1944, a property survey to determine the remaining useful life of each building and item of machinery and equipment was completed. The computed reserve for depreciation at December 31, 1943, based on the estimated remaining lives, was \$4,301,350 less than the reserves shown on the books as of that date. In 1944, the Company adjusted the reserves on the books to the computed amount. Because of the possibility of obsolescence arising from developments during the war period, the difference of \$4,301,350 was credited to a special reserve for obsolescence of plant and equipment.

In 1946, upon completion of conversion to peacetime operations, the special obsolescence reserve of \$4,301,350 was transferred to earned surplus.

Other Changes in Surplus:

In 1947, a reserve for contingencies in the amount of \$1,000,000 was transferred to earned surplus. The reserve had been provided out of income, principally in 1941, for possible depreciation of asset values growing out of the war.

LETTER OF OPINION OF INDEPENDENT PUBLIC ACCOUNTANTS

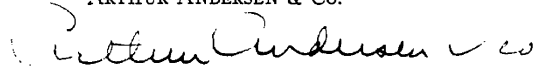
To the Stockholders and Board of Directors,
General Aniline & Film Corporation:

We have reviewed the information required to be submitted under "Historical Financial Information" and, in connection therewith, have reviewed the accounts recording investments, property, plant and equipment, intangibles, reserves for depreciation, debt discount and expense, capital shares and surplus of General Aniline & Film Corporation and subsidiary companies for the period from January 1, 1946 to December 31, 1952.

In our opinion, the data submitted presents fairly the information required to be submitted in compliance with the Regulations of the Securities and Exchange Commission.

ARTHUR ANDERSEN & Co.

New York, N. Y.
October 17, 1956.



Proof of January 11, 1957

This is under no circumstances to be construed as an offering of these Securities for sale, or as a solicitation of an offer to buy any of such Securities. The offer is made only by means of the Prospectus.

ATTORNEY GENERAL OF THE UNITED STATES OF AMERICA

Announcement With Respect To

426,988 Common A Shares

and

1,537,500 Common B Shares

of

GENERAL ANILINE & FILM CORPORATION

The Attorney General of the United States of America hereby announces the issuance of a Prospectus constituting an invitation for sealed bids, subject to the terms and conditions stated in the documents referred to below, for the purchase from him, as an entirety, of (a) 426,988 Common A Shares, no par value, and (b) 1,537,500 Common B Shares, par value \$1.00 per share (the entirety being herein called the "Stock"), of General Aniline & Film Corporation (herein called the "Company"), a Delaware corporation. The shares constitute approximately % of the Common A Shares and % of the Common B Shares of the Company issued and outstanding. The sale of the Stock does not represent new financing and the Company will receive no part of the net proceeds therefrom.

The Stock is held by the Attorney General as a result of action taken under the Trading with the Enemy Act, as amended, and is being offered by the Attorney General under the authority of said Act and Executive Orders 9193, as amended, and 9788.

Prospective bidders may examine, at the Department of Justice, Office of Alien Property, Room 664, 101 Indiana Avenue, N. W., Washington 25, D. C., or at the offices of Messrs. Simpson Thacher & Bartlett, 120 Broadway, New York 5, N. Y., counsel for prospective bidders, copies of the Registration Statement (including exhibits) and the related Prospectus, Statement of Terms and Conditions Relating to Bids, Questionnaire for Prospective Bidders, Form of Bid (including forms of Purchase Agreement and Agreement with the Company), and a "Blue Sky" memorandum. Copies of said documents including the Prospectus but excluding the balance of the Registration Statement and exhibits thereto will be supplied by the Office of Alien Property in reasonable quantities to prospective bidders upon request.

All bids must be sealed and received at the Department of Justice, Office of Alien Property, 101 Indiana Avenue, N. W., Washington 25, D. C., by 3:45 P. M., Eastern Standard Time, on , 1957, (or at such later time as may be fixed by the Attorney General for the submission of bids, as provided for in the Statement of Terms and Conditions Relating to Bids) at which time and place all bids will be opened publicly. Bids will be considered only from qualified bidders who have received copies of the Prospectus, and who shall have furnished to the Attorney General certain information on the Questionnaire for Prospective Bidders before 5:30 P. M., Eastern Standard Time, on , 1957, and only if made in accordance with and subject to the provisions of the Statement of Terms and Conditions Relating to Bids.

HERBERT BROWNELL, JR.
Attorney General of the
United States of America

. 1957.

G-I_EPA0018927

Proof of January 11, 1957

A Registration Statement relating to the securities referred to herein has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended. Under no circumstances is the within information to be considered as an offer to sell, or as a solicitation of an offer to buy, the securities referred to herein.

OFFICE OF ALIEN PROPERTY

Department of Justice

QUESTIONNAIRE FOR PROSPECTIVE BIDDERS

For the information of the Attorney General of the United States, and for use in preparing Post-Effective Amendments to Registration Statement No. _____, filed _____, 1957, on Form S-1, as amended, in connection with the proposed sale by the Attorney General of 426,988 Common A Shares and 1,537,500 Common B Shares as described in said Registration Statement of General Aniline & Film Corporation (hereinafter referred to individually and collectively as the "Stock").

To be executed by each prospective bidder, whether or not a member of a group, and filed in duplicate at the Office of Alien Property, 101 Indiana Avenue, N. W., Washington 25, D. C., on or before 5:30 P. M. (Eastern Standard Time), _____, 1957. The information furnished in response to this Questionnaire will be restricted to the confidential use of the United States Government. Where necessary, attach riders to supply requested information.

1. Give your full name and exact address.

2. If you are an individual, answer the following questions:

(a) Are you a citizen of the United States?

(b) Give the date and place of your birth.

(c) If you claim American citizenship by naturalization, state whether such claim is based upon naturalization of yourself or a parent. If by naturalization of yourself, give the date and the number of the certificate of naturalization and the court issuing the same; if by naturalization of a parent, give the name of the parent, the date and number of the certificate of naturalization and the court issuing the same.

3. If you are a partnership, give the following information:

(a) State the names of all of the partners.

(b) Are all of the partners native born citizens of the United States?

If the answer is "No," for every partner who is not a native born citizen of the United States, state his present citizenship and give the information required by Items 2(b) and 2(c).

(c) Is the partnership organized in the United States or a State or Territory thereof?

(d) Does your partnership have its principal place of business in the United States or a territory thereof?

(e) Are 75% or more of the partners citizens of and resident in the United States?

(f) If the answer to Item 3 (e) is "Yes," do such partners own at least a 75% interest in the partnership?

4. If you are a corporation, give the following information:

(a) Date and place of your incorporation.

(b) The total number of outstanding shares of stock as of _____, 1957 specifying the number of each class if you have more than one class outstanding.

(c) The names and residential addresses of every stockholder owning 5% or more of each class of your outstanding capital stock.

(d) Is 75% or more of the voting stock of your corporation owned or held for the benefit of American nationals as defined in paragraph (c) of Section 505.10 of the Regulations of the Office of Alien Property, Department of Justice?*

* A copy of Section 505.10 of the Regulations of the Office of Alien Property is attached hereto as Exhibit 1. General Aniline & Film Corporation has been designated a key corporation to which Section 505.10 is applicable.

(e) Is your corporation controlled by persons other than American nationals?

(f) The names and residential addresses of your officers and directors.

(g) The name of every director in your corporation who is a director in any other corporation, except subsidiaries of your corporation and the names of every such corporation.

5. Are you affiliated,* or are any of your partners, directors or officers affiliated, in any way with General Aniline & Film Corporation?

Unless the answer is "No", give details with respect to such affiliation.

6. State the location of your business (indicating the location of your principal place of business, if more than one) and the names and locations of your affiliates,* and describe briefly the nature of the business engaged in by you and your affiliates.

* As used in this Questionnaire, an "affiliate" of, or a person "affiliated" with, a specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the person specified. (For example: X is filing a Questionnaire and is a subsidiary of A which is controlled by B which also has a subsidiary C. X also has a subsidiary D, which has a subsidiary E. A, B, C, D and E are all affiliates of X.) The term "person" as used herein, means a corporation, an individual, or a partnership, association, joint-stock company, trust or any other unincorporated enterprise.

7. (a) Does any portion of your business or of the business of your affiliates consist of the production of dyes and pigments; chemical intermediates for dyes, pharmaceuticals and surface active agents; acetylene-derived chemicals; surface active agents; chlorine and caustic soda (soda and potash); photographic film; photographic papers; photographic processing chemicals; cameras or sundry photographic products; machines or materials for diazo reproduction or other photoprinting or any other products similar to those produced by General Aniline & Film Corporation or its subsidiaries as described in the Prospectus relating to the proposed sale of shares by the Attorney General?

Unless the answer is "No," give the following information in detail:

- (1) List and describe the specific types of products referred to in Item 7(a) manufactured by you or by any affiliate of yours.
- (2) As to every such product, state for the year 1955 your and your affiliates' combined production and dollar value of sales; the percentage that such production and sales represented of the total industry production and sales in the United States; and your relative position in the field.*
- (3) The exact nature of the relationship between you and any affiliate of yours which produces any of the products referred to in Item 7(a).
- (4) The nature and extent of any competition which may exist between you and General Aniline & Film Corporation or its subsidiaries and between any affiliate of yours and General Aniline & Film Corporation or its subsidiaries.

* If no specific data is available, the figures on "total industry production" requested in Item 7(a) and "total industry sales" requested in Items 7(a) and 7(c), and "relative position" requested in Items 7(a) and 7(c) may be estimated. If estimates are given, state the basis for such estimate.

7. (b) Do you or does any affiliate of yours use in connection with manufacturing operations products of the type produced by General Aniline & Film Corporation and referred to in Item 7(a)?

Unless the answer is "No," give full details as to the specific types of products so used and the nature and extent of such use.

7. (c) Do you or does any affiliate of yours distribute products (other than those manufactured by you or your affiliates) of the type produced by General Aniline & Film Corporation and referred to in Item 7(a)?

Unless the answer is "No," give the following information:

- (1) List and describe the types of products referred to which are so distributed by you or your affiliates.

- (2) As to every such product state for the year 1955 your and your affiliates' combined dollar value of sales; the percentage that such sales represented of the total industry sales in the United States; and your relative position in the field.

7. (d) Do you or does any affiliate of yours own or control any retail outlets for products of the type referred to in Item 7(a)?

Unless the answer is "No," give details as to such retail outlets.

8. Describe briefly your plans for the management and operation of General Aniline & Film Corporation in the event that your offer for the purchase of this Stock is accepted, e.g., whether you intend to operate the corporation as a separate entity, combine its operations with that of one or more other business enterprises (in which case, identify said enterprises), partially or entirely cease manufacturing products of the type now being produced by the corporation, etc.
9. State any other favorable factors which merit special consideration by the Attorney General in evaluating your bid in the light of the national interest.
10. Will your bid be financed, in part or in whole, by any person or enterprise whose business or a portion of whose business involves the production or distribution of the products referred to in Item 7(a)?

Unless the answer is "No," give details.

11. Has any person now or heretofore connected, directly or indirectly, with the Office of Alien Property Custodian or with the Department of Justice any interest of any kind whatever in your bid, or has any agreement either written, oral or otherwise been made, directly or indirectly, by you with any such person with respect to this bid?

Unless the answer is "No," identify such person or persons by name and address and describe the nature of such interest or agreement.

12. (a) Are you a prospective single bidder?

- (b) Are you a prospective member of a group proposing to bid?

- (c) Give the name and address of the person, firm or corporation (or persons, firms or corporations), if any, authorized to act as your Representative (as defined in the "Statement of Terms and Conditions") in connection with your proposed bid for and purchase of the Stock.
- (d) Are you the Representative (as defined in the "Statement of Terms and Conditions") of
 - (1) a group proposing to bid?
 - (2) a single bidder?
- 13. If you are an individual, were you, and if you are a business enterprise (incorporated or unincorporated), was the enterprise or any person now controlling the enterprise, on the Proclaimed List of Certain Blocked Nationals at any time?
- 14. Are you an American national as defined in paragraph (c) of Section 505.10 of the Regulations of the Office of Alien Property, Department of Justice, a copy of which is attached to this Questionnaire as Exhibit 1?

Questions Relating to Plan of Distribution

- 15. (a) Will your proposed purchase of the Stock be for the purpose of resale in the foreseeable future? If so, state to whom such resale is intended to be made.
- (b) In the event that it is intended to resell 5% or more of the Stock to a single purchaser or group of purchasers, identify such purchaser or purchasers by name and address, and describe the business thereof.
- (c) In the event any person or group has indicated to you an interest in purchasing 5% or more of the Stock, identify each such person or group. State, if possible, the approximate percentage of the Stock in which each such person or group has indicated an interest.
- (d) In purchasing the Stock will you be an underwriter within the meaning of the Securities Act of 1933, as amended?

IF THE ANSWER TO ITEM 15 (d) IS "NO," ITEMS 16-18 INCLUSIVE, NEED NOT BE ANSWERED.

16. Except as indicated below, (a) other than as stated or to be stated in the agreement among underwriters or the selling group agreement, if any, copies of which will be filed as exhibits to the form of questionnaire filed by our representative, we do not know of any arrangements for limiting or restricting the sale of any Common A Shares or Common B Shares of General Aniline & Film Corporation, for stabilizing the market for any of such shares, for withholding commissions or otherwise to hold any underwriter or dealer responsible for the distribution of his participation in such shares, or for any discounts or commissions to be allowed or paid to dealers; and (b) neither we nor any of our directors, officers or partners have any material relationship with General Aniline & Film Corporation; and (c) we have no knowledge that more than ten percent of any class of equity securities of the company is held or to be held subject to any voting trust or other similar agreement.

17. If you are the Representative of a group of bidders, indicate on Exhibit 2 the names and addresses of the proposed members of the group, the number of shares to be purchased by each member and which, if any, of the members propose to hold any share for investment.

18. If you are the Representative of a group of bidders, attach hereto copies of the agreement among underwriters and the selling group agreement, if any.

The undersigned agrees to inform the Attorney General and General Aniline & Film Corporation of any change in the information furnished pursuant to Item 17 or in the Agreements referred to in Item 18. If the undersigned is a member of a group of bidders, he consents to the filing on his behalf by the Representative of the agreements and information referred to in Items 17 and 18.

Representations and Warranties

The undersigned represents and warrants to the Attorney General and General Aniline & Film Corporation that

(1) the person, firm or corporation (or persons, firms or corporations), if any, named in the answer to Item 12 (c) above is duly authorized by the undersigned to act on its behalf as its Representative in all matters relating to its proposed bid for, and proposed purchase of, the Stock of General Aniline & Film Corporation and, without limiting the generality of the foregoing, that at the respective times of any such acts said Representative will have full power and authority on behalf of the undersigned (a) to make any bid, and (b) if the bid in which the undersigned participates is accepted, to advise the Attorney General and General Aniline & Film Corporation of the amount of any discounts, concessions, or considerations provided for in the agreement among the underwriters and the selling group agreement, and to furnish General Aniline & Film Corporation with any and all other information with respect to any public offering of the Stock for use in the Prospectus and the Post-Effective Amendment to the Registration Statement;

(2) if the bid in which the undersigned participates is successful, the purchase will not be for or on behalf of an undisclosed principal nor for the purpose of resale to, or for the benefit of, and the purchaser will not knowingly resell to, or for the benefit of, a person not an American national as defined in paragraph (c) of Section 505.10 of the Regulations of the Office of Alien Property, Department of Justice.

For Corporate Signature
(Corporate name)

By
(Title of authorized officer)

For Partnership Signature
(Firm name)

By
(A partner)

For Individual Signature

Dated, 1957.

(Please date this Questionnaire)

Exhibit 1 to Form of Questionnaire

**Section 505.10 of the Regulations of the Office of Alien Property
Department of Justice, 8 CFR 505.10 (1952 ed.)**

Restriction on Retransfer of Shares of Stock Vested and sold by the Office of Alien Property

§505.10 Regulation restricting the retransfer of shares of stock vested, and sold by the Office of Alien Property.

(a) The Attorney General will designate from time to time by order issued pursuant to this section certain corporations subject to his supervision, jurisdiction and control, which are of importance in fields closely related to the defense economy of the United States. Corporations so designated are referred to in this section as "key corporations."

(b) The term "vested stock" as used in this section shall be deemed to mean shares of stock in key corporations vested by the Alien Property Custodian or the Attorney General and hereafter sold by the Attorney General, and shall also include any shares issued in exchange for vested stock or issued by way of stock dividend thereon or split-up thereof or shares acquired pursuant to any rights or warrants accruing to the holders of vested stock notwithstanding any recapitalization, consolidation, merger or reclassification.

(c) Only American nationals shall be qualified to become owners or holders, directly or indirectly, by mesne conveyance or otherwise, of any interest in vested stock.

"American national" shall mean: (1) The United States, any State or Territory thereof, as well as any political subdivision, agency or instrumentality of the United States or any such State or Territory, (2) any individual who is a citizen of and resident in the United States, (3) any partnership organized and having its principal place of business in the United States or a Territory thereof, 75% of the members of which are citizens of and resident in the United States who own at least a 75% interest in the partnership, and (4) any corporation, association or other organization organized under the laws of the United States or any State or Territory thereof and having its principal place of business therein, 75% of the voting stock of which is owned or held for the benefit of American nationals, and which corporation, association or other such organization is not controlled by persons other than American nationals: Provided, however, That individuals, partnerships, corporations, associations or organizations which have been determined by the Alien Property Custodian or the Attorney General to be acting for or on behalf of a national of Germany or Japan, and persons who, by order of the Alien Property Custodian or the Attorney General issued pursuant to this section, are determined not to be qualified to own or hold vested stock, shall not be deemed American nationals for purposes of this section, irrespective of whether they would otherwise qualify under subparagraphs (1), (2), (3) or (4) of this paragraph: And provided further, That any individual, partnership, corporation, association or organization acting, holding, or purporting to act or hold, directly or indirectly, for or on behalf of or for the benefit of any country, individual, partnership, corporation, association, or organization which is not an American national shall not be deemed an American national for purposes of this section.

(d) No right, title or interest in vested stock may be transferred to or acquired by, or held for the benefit of, or held by, any person not an American national. Any such transfer, acquisition, or holding of any such right, title or interest is prohibited and shall be null and void. No right, title or interest in any such stock shall pass by such transfer or acquisition: Provided, That any person not an American national to whom any such right, title or interest devolves or is transferred by will, descent or operation of law shall have the right to receive, hold and sell the same as the owner thereof for a period not exceeding two years from such devolution or transfer; Provided further, that any American national holding any such right, title or interest, who ceases to be an American national, shall have the right to hold and sell vested stock for a period not exceeding two years from the date on which he ceases to be an American national.

(e) In order to insure that all purchasers of vested stock shall have notice of the restrictions imposed by this section upon such vested stock, every key corporation, whenever it is so directed by the Director, Office of Alien Property, shall stamp or print a legend, containing a statement of or reference to the prohibitions and restrictions imposed by and pursuant to this section in such form as shall be approved or prescribed by the Director, Office of Alien Property, on all certificates hereafter issued representing shares of vested stock. Any key corporation, whenever it is so directed by the

Director, Office of Alien Property, shall amend its charter or certificate or articles of incorporation to include therein, in such form as shall be approved or prescribed by the Director, Office of Alien Property, a prohibition or restriction against the issuance or transfer of vested stock or any interest therein except to American nationals. Except as authorized by the Director, Office of Alien Property, a key corporation shall not at any time hereafter amend its charter or certificate or articles of incorporation so as to delete therefrom any such prohibition or restriction upon the issuance or transfer of such vested stock or interest therein.

(f) Except as authorized in this paragraph or as otherwise authorized by the Director, Office of Alien Property, a key corporation, its transfer agents and registrars, shall not issue or transfer, or recognize, record or register the issuance or transfer, or ownership, of vested stock in violation of this regulation or of the prohibition or restriction incorporated in its charter or certificate or articles of incorporation pursuant to paragraph (e) of this section. A key corporation, its transfer agents and registrars are hereby authorized to issue or transfer, and recognize, record and register the issuance or transfer, or ownership, of vested stock in the name of any person who certifies, in a manner authorized or approved by the Director, Office of Alien Property, that such person is an American national: Provided, That such key corporation, transfer agent or registrar, as the case may be, does not have knowledge that such person is not an American national; but no rights in derogation of paragraph (d) of this section shall be created thereby. No corporate action shall be invalid on the ground of any invalidity, by reason of the provisions of paragraph (d) of this section, of any vote, consent or exercise of a right accepted by the corporation in respect of vested stock registered in good faith in the name of any such person in reliance on certificates supplied in accordance with this paragraph. No key corporation, transfer agent or registrar shall be held liable for or in respect to anything done or omitted in good faith in reliance on the provisions of this paragraph, or any order issued by the Alien Property Custodian or the Director, Office of Alien Property, pursuant to this section.

(g) Each key corporation shall, when requested by the Director, Office of Alien Property, furnish to the Director, Office of Alien Property, a list of the names and addresses of the holders of record of its outstanding vested stock. Whenever requested by the Director, Office of Alien Property, each holder of record of vested stock shall furnish to the Director, Office of Alien Property, the name and address of the beneficial owner or owners of the stock so held of record by such person.

(h) The provisions of this section and of orders issued pursuant thereto shall continue in effect until rescinded or superseded, notwithstanding the end of the present war [World War II] or the end of the present emergency or the termination of supervision of the corporation affected.

EXHIBIT 2 TO FORM OF QUESTIONNAIRE

Names and Addresses of Proposed Members of Group	Number of Shares to be Purchased		Number of Shares, if any, to be Held for Investment	
	Common A	Common B	Common A	Common B

Proof of January 11, 1957

This is under no circumstances to be construed as an offering of these Securities for sale, or as a solicitation of an offer to buy any of such Securities. The offer is made only by means of the Prospectus.

OFFICE OF ALIEN PROPERTY

Department of Justice
101 Indiana Avenue, N. W.
Washington 25, D. C.

Statement of Terms and Conditions

relating to

Public Invitation for Bids for the Purchase of

426,988 Common A Shares and

1,537,500 Common B Shares

of

GENERAL ANILINE & FILM CORPORATION

The Attorney General of the United States* has invited bids for the purchase from him of, and is offering for sale pursuant to the Prospectus and subject to the terms and conditions hereof, all of the above-mentioned shares (hereinafter called the "Stock"), of General Aniline & Film Corporation (hereinafter called the "Company"), as an entirety.

No commission of any kind will be paid by the Attorney General.

1. Information Available to Prospective Bidders.

Prospective bidders may examine at the Office of Alien Property, Room 664, 101 Indiana Avenue, N. W., Washington 25, D. C. or at the offices of Messrs. Simpson Thacher & Bartlett, 120 Broadway, New York 5, N. Y. copies of the following:

- (a) the Registration Statement (including exhibits) relating to the Stock, in the form in which it has become effective, and the related Prospectus (hereinafter referred to as the "Registration Statement" and "Prospectus," respectively);
- (b) the Form of Bid to be used by bidders, having attached thereto certain forms of agreement to be entered into between the Attorney General and the successful bidder or bidders (hereinafter referred to as the "Purchase Agreement") and between the Company and the successful bidder or bidders (hereinafter referred to as the "Agreement with the Company");
- (c) the form of questionnaire to be used by prospective bidders in furnishing information to the Attorney General (hereinafter referred to as the "Questionnaire"), including, in the case of a group of bidders, a designation of the Representative of the group; included in the Ques-

*The Office of Alien Property Custodian was terminated and the authority of the Alien Property Custodian and the Office of Alien Property Custodian were transferred to the Attorney General by Executive Order 9788 of October 14, 1946 (3 CFR, 1946 Supp.). The Attorney General has established the Office of Alien Property in the Department of Justice. (See Attorney General's Order No. 100-55, 20 Fed. Reg. 7453.) Dallas S. Townsend, an Assistant Attorney General, is the Director of the Office of Alien Property. Any action on the part of the Attorney General permitted or required by the provisions of this Statement of Terms and Conditions, or the Form of Bid or the Purchase Agreement, hereinafter referred to, shall be duly taken if taken for the Attorney General by (a) the Director or the Deputy Director, Office of Alien Property, or (b) any employee of the Office of Alien Property who has been authorized in writing by the Director or the Deputy Director, Office of Alien Property, to take such action.

tionnaire are questions relating to the proposed Plan of Distribution, if any, and if no distribution is proposed, a statement to that effect; and

- (d) memorandum prepared by Messrs. Simpson Thacher & Bartlett with respect to the necessity for qualification of the shares for sale under the securities or Blue Sky laws of various states.

Copies of said documents, including the Prospectus, but excluding the balance of the Registration Statement and the exhibits thereto, together with copies of this Statement of Terms and Conditions, will be supplied in reasonable quantities to prospective bidders upon request addressed to the Office of Alien Property, 101 Indiana Avenue, N. W., Washington 25, D. C.

The Company reserves the right to make such amendments to the Registration Statement and the Prospectus as may be approved by Messrs. Simpson Thacher & Bartlett. The Attorney General will give written or telegraphic notice of the making of any such amendment to each prospective bidder, or, in the case of a group of bidders, to the Representative of the group, who shall have filed a questionnaire or questionnaires, as provided in paragraph 2 hereof. The Attorney General will make copies of any such amendments available for examination by prospective bidders at the Office of Alien Property, Room 664, 101 Indiana Avenue, N. W., Washington 25, D. C. and at the office of Messrs. Simpson Thacher & Bartlett, 120 Broadway, New York 5, N. Y.

Upon the acceptance of any bid, if the successful bidder or bidders are not purchasing for investment, the Registration Statement relating to the stock being purchased and the Prospectus will be amended to include therein information concerning the purchase price, the purchaser or purchasers, the Purchase Agreement, any public offering of the stock being purchased which the purchaser or purchasers intend to make, and such other matters as may be required by the rules and regulations of the Securities and Exchange Commission and as may be agreed upon between the purchaser or purchasers and the Company, as the case may be.

2. Questionnaire to be filed by Bidders.

No bid will be considered unless the bidder, or, in the case of a group of bidders, the duly authorized representative of the group (herein referred to as the "Representative") and each member of the group, shall have furnished to the Attorney General and the Attorney General shall have received at the office of the Office of Alien Property, 101 Indiana Avenue, N. W., Washington 25, D. C., before 5:30 P. M.* on _____, 1957 (or at such later date as may be designated by the Attorney General, as provided in paragraph 3 hereof), two copies of the Questionnaire, properly filled out and signed. The Attorney General reserves the right, however, to waive timely filing of any Questionnaire and to waive any defects in answers to and execution of any Questionnaire. The Attorney General may request prospective bidders to amend or clarify their answers to the Questionnaire; or to supply such further information as he shall deem desirable, at any time prior to acceptance or rejection of bids; the absence of such a request shall not be deemed to indicate approval of any Questionnaire. No shares will be sold to any purchaser who is not an American national as defined in Section 505.10 of the Regulations of the Office of Alien Property (set forth in Exhibit 1 to the Questionnaire).

3. Form, Contents and Submission of Bids.

Each bid must be for the purchase, for cash, of all of the Stock as an entirety. Each bid may be made by a single bidder or by a group of bidders. In case the bid of a group of bidders is accepted, the obligations of each of the members of the group shall be several and not joint, but such bidders shall act through a Representative, who may be included in the group, said Representative being duly authorized to bind the bidders in the group. All bids must be in duplicate, on the Form of Bid, and signed by the bidder or, in the case of a group of bidders, by the Representative on behalf of the group. Each bid shall specify the total price to be paid in cash to the Attorney General for the shares of stock bid for therein (herein referred to as the total purchase price of the Stock), and shall include an agreement to pay, in addition to the amount of the bid, a certain amount to be specified by the Attorney General to cover certain expenses, disbursements and fees incurred in connection with the

* All time referred to herein is Eastern Standard Time.

sale of the shares of stock bid for therein, as more fully set forth in the Form of Bid and Purchase Agreement. The Attorney General shall specify on the third day prior to the time for filing bids, estimated amounts of such expenses, disbursements and fees incurred in connection with the sale of the Stock. The total amount of such expenses, disbursements and fees payable by any purchaser shall not exceed the amount so specified with respect to the shares purchased, and in the event the actual expenses are less than the estimated expenses, the unexpended balance will be retained by the Attorney General. Any person who has filed a Questionnaire may obtain a statement of the amounts so specified from the Office of Alien Property, 101 Indiana Avenue, N. W., Washington 25, D. C.

Each bid must be delivered to the Attorney General at Office of Alien Property, Room , 101 Indiana Avenue, N. W., Washington 25, D. C., before 3:45 P. M., on , 1957 (or at such later hour on said day or at such hour on such later day as may be fixed by the Attorney General, as hereinafter provided), enclosed in two sealed envelopes. The outer envelope shall not contain any indication of the identity of the bidder and shall be addressed as follows: "The Attorney General, Office of Alien Property, 101 Indiana Avenue, N. W., Washington 25, D. C.—Confidential—Bid for Purchase of General Aniline & Film Corporation." The inner envelope must indicate the name and address of the bidder, or in the case of a group of bidders, of the Representative.

The Attorney General reserves the right, in his discretion, to postpone, from time to time, the time for submission of bids for a period not exceeding in the aggregate twenty days, and will give written or telegraphic notice of any such postponement to any prospective bidder who has filed a Questionnaire as provided in paragraph 2 hereof, or in the case of any group of prospective bidders who have filed such Questionnaire, to the Representative of the group. In the event that any such postponement should be for a period of more than three business days, the time for filing of Questionnaires by prospective bidders under paragraph 2 hereof may be postponed to 5:30 P. M. on such date as the Attorney General shall fix prior to the postponed date for submission and opening of bids; the Attorney General will publish notice of any such postponement. Any bid may be withdrawn at any time prior to the time that the first bid is opened, by delivering notice of withdrawal in writing to the Attorney General at Office of Alien Property, Room 664, 101 Indiana Avenue, N. W., Washington 25, D. C. If not so withdrawn, each bid thereafter becomes irrevocable until rejected or accepted.

4. Deposit of Check with Bid.

Each bid must be accompanied by a certified or official bank check or checks in the amount of not less than 3% of the total purchase price of the Stock, drawn to the order of "Attorney General of the United States," such deposit to be held and disposed of by the Attorney General as hereinafter provided.

5. Opening and Acceptance or Rejection of Bids.

All bids will be opened by the Attorney General in public, in the presence of two or more persons, to be designated by the Attorney General, at Office of Alien Property, Room 625, 101 Indiana Avenue, N. W., Washington 25, D. C., at 3:45 P. M., on the date fixed herein for the submission of bids or at such later hour on said day or at such hour on such later day as may be fixed by the Attorney General as provided in paragraph 3 hereof for the submission of bids (said time and date are hereinafter referred to as the "Time of Opening Bids"). Each Representative and each bidder may be present at the opening of bids. Subject to the terms and conditions of this Statement, including the right reserved to the Attorney General to return or reject bids, the Attorney General will accept the highest bid from a qualified bidder for all of the Stock if he determines that the acceptance of such bid is in the interest of and for the benefit of the United States. Each bid will be accepted or rejected by the Attorney General in its entirety. Acceptance will be made at any time prior to 5:00 P. M., on the day following the day on which the bids are opened, by the execution of an Order of Sale of the Stock to the successful bidder, and each bid not accepted at the time of acceptance shall be deemed to have been rejected; provided, however, that:

- (i) if the identical highest price is specified in two or more bids from qualified bidders, the Attorney General shall have until 5:00 P. M. on the second day following the day on which the bids are opened to accept or reject such bids, and the Attorney General (unless he shall reject all bids) will give the makers of such highest bids an opportunity (but not beyond 3:30 P. M. on the day following the day on which the bids are opened) to improve their bids. If no improved bid or bids are made, or if upon such rebidding two or more such identical bids are again received, the Attorney General, in his absolute discretion, and without liability to any other bidder, may accept any of such bids or may reject all bids and any such bid not accepted at 5:00 P. M. on the second day following the day on which bids are opened shall be deemed to be rejected; and
- (ii) the Attorney General may request some or all of the bidders, by written or telegraphic request addressed to each such bidder, or in the case of a group of bidders, to their Representative, to allow him until such later time and date as he shall specify, to accept or reject their bids. If the Attorney General makes such a request and receives an affirmative written or telegraphic answer from one or more bidders prior to 3:30 P. M. on the day following the day on which the bids are opened or prior to 3:30 P. M. on the second day following the day on which the bids are opened in the case of identical highest bids, the bids of all bidders except those giving such an affirmative answer shall, unless theretofore accepted by the Attorney General, be deemed to be rejected at 5:00 P. M. on the day following the day on which the bids are opened, or at 5:00 P. M. on the second day following the day on which the bids are opened in the case of identical bids which are the highest received. The Attorney General will accept or reject the bid of each bidder giving such an affirmative answer by execution of an Order of Sale at or prior to the time and date so specified by the Attorney General, and each such bid not so accepted at the specified time shall be deemed to have been rejected.

The Attorney General will forthwith confirm such acceptance or award, in writing, to the successful bidder or the Representative of the successful group or groups of bidders.

The Attorney General reserves the right (a) to amend or revoke this Statement of Terms and Conditions at any time before the Time of Opening of Bids; (b) to return all bids unopened either at or prior to the Time of Opening of Bids; (c) to reject all bids after the opening thereof (irrespective of the price named therein), stating the reasons therefor; (d) to exclude from consideration or reject any bid which, in the opinion of the Attorney General, is submitted by a bidder not qualified as a purchaser of the Stock bid for or which is otherwise not in the interest of and for the benefit of the United States, stating the reasons therefor; and (e) to waive any defects with respect to compliance with this Statement of Terms and Conditions.

If a bid is not accepted, the Attorney General will return to the bidder, or, in the case of a group of bidders, to the Representative, the check or checks deposited with such bid. If a bid is accepted, the check or checks deposited therewith, or the funds represented by such check or checks, will be retained by the Attorney General as security for the performance of the obligations of the bidder or of the respective members of the group of bidders, as the case may be, including the obligation to execute the Purchase Agreement and the Agreement with the Company, as hereinafter provided; and if there is a failure of such performance the entire amount deposited with the bid by the bidder or group of bidders shall be considered as the quantum of damages suffered by the Attorney General by reason of the bidder's failure to perform, and the entire amount deposited shall be retained by the Attorney General as liquidated damages, unless (in the case of a bid by a group of bidders) the default is remedied by other members of the group of bidders agreeing to purchase the shares bid for by the defaulting bidder, on the same terms and conditions. If the default is not remedied, the Attorney General shall have the right again to offer and sell or otherwise deal with the Stock and in no event shall the bidder or group of bidders have any claim against the Attorney General, or the Stock or the proceeds thereof. If, however, the Purchase Agreement and the Agreement with the Company are properly executed, such check or checks, or the funds represented by such check or checks, will be held and disposed of in accordance with the terms of the Purchase Agreement.

6. Execution of Purchase Agreement and Agreement with the Company.

Forthwith upon the acceptance of any bid, the successful bidder, or, in the case of a group of bidders, the Representative on their behalf, will enter into (i) a Purchase Agreement with the Attorney General and (ii), if the successful bidder is not purchasing for investment, an Agreement with the Company (herein called "Agreement with the Company"), dated as of the date of the acceptance of the bid and in the forms hereinabove referred to, in accordance with the terms of the accepted bid, with such appropriate changes as may be agreed upon. Thereafter all the rights of the Attorney General and of any successful bidder or group of bidders under an accepted bid shall be merged into and superseded by their rights under, and shall be determined in accordance with the terms of, such Purchase Agreement, and such Agreement with the Company.

The obligations of the parties under such Purchase Agreement will be subject to certain conditions specified therein.

7. Counsel Acting on Behalf of Purchasers.

At the request of the Attorney General, Messrs. Simpson Thacher & Bartlett, 120 Broadway, New York 5, N. Y., have participated, from the point of view of possible purchasers of the Stock, in the preparation of the Registration Statement, Prospectus, and competitive bidding papers, and have reviewed or will review matters relating to the legality of the Stock and certain other matters so that they will be prepared to make available to the successful bidder or bidders their opinion as to the various matters specified in the Purchase Agreement. They have also prepared a memorandum, referred to in paragraph 1 hereof, with respect to the necessity for qualification of the Stock for sale under the securities or Blue Sky laws of various states. Prospective bidders may confer with Messrs. Simpson Thacher & Bartlett in connection with any of the foregoing matters. The Chief, Legal and Legislative Section, Office of Alien Property will give an opinion with respect to the authority of the Attorney General to convey the Stock, and a copy of such opinion will be furnished to the successful bidder or bidders.

8. Absence of Warranty or Guaranty.

No representative or agent of the Attorney General is authorized to make any warranty or guaranty, express or implied, and neither the United States, the Attorney General, nor any representative, agent or agency thereof shall be deemed to have made any warranty, express or implied, respecting or in any way concerning the Company or its business, properties and assets or its stock.

HERBERT BROWNELL, JR.
Attorney General

, 1957

Proof of January 11, 1957

OFFICE OF ALIEN PROPERTY

Department of Justice

FORM OF BID

For the Purchase of

426,988 Common A Shares

and 1,537,500 Common B Shares

of

GENERAL ANILINE & FILM CORPORATION

Dated _____, 1957

THE ATTORNEY GENERAL
Office of Alien Property
101 Indiana Avenue, N. W.
Washington 25, D. C.

DEAR SIR:

Referring to the Prospectus issued in connection with the sale of all of the above-mentioned shares of stock as an entirety (such shares of stock being hereinafter referred to as the "Stock") of General Aniline & Film Corporation (hereinafter referred to as the "Company") and in accordance with and subject to the Statement of Terms and Conditions relating to Public Invitation for Bids for the Purchase of the Stock (hereinafter referred to as the "Statement of Terms and Conditions"), the persons, firms and corporations hereinafter named (hereinafter referred to as the "Bidders") submit the following bid for the purchase for cash of the Stock. As used herein, the terms "Bidders", "persons", "firms" and "corporations" shall include the singular of such terms as well as the plural. If there is only one Bidder, then the term "Representative" shall mean such Bidder unless the Bidder shall in fact have appointed a Representative.

1. Each of the Bidders hereby offers, severally and not jointly, to purchase from you, upon the terms and conditions set forth in the form of Purchase Agreement annexed hereto and marked Exhibit 1, the Common A Shares and Common B Shares of the Company set forth in Schedule A hereto at \$ _____ per Common A Share, and \$ _____ per Common B Share, making an aggregate of \$ _____ for the Stock (hereinafter referred to as the "total purchase price of the Stock").

2. Each of the Bidders agrees that, if this bid is accepted, as provided in the Statement of Terms and Conditions, it will pay, in addition to its proportionate share of the total purchase price of the Stock, an amount equal to its proportionate share, as defined in the Purchase Agreement, of the certain amount specified by you to cover estimated expenses, disbursements and fees incurred in connection with the sale of the Stock, including, among others, legal, and accounting fees and disbursements. It is further understood that the total amount of expenses, disbursements and fees payable to you by the purchasers of the Stock will not be in excess of the amount so specified. The disposition of the proportionate share of estimated expenses paid by each Bidder will be in accordance with the terms and conditions of the Purchase Agreement.

3. Each of the Bidders agrees that, if this bid is accepted, it will pay all stock transfer taxes on the transfer, or transfers, of the Stock to it.

4. If this bid shall be accepted by you, each of the Bidders agrees that it will forthwith (acting through the undersigned as Representative), as required by the Statement of Terms and Conditions, enter into (a) the Purchase Agreement with you in the form annexed hereto as Exhibit 1 and (b) if the purchase is not for investment, the Agreement with the Company in the form annexed hereto as Exhibit 2, and each of the Bidders agrees that it will forthwith furnish to you a power of attorney authorizing the undersigned as Representative to enter into the above-mentioned agreements. Such power of attorney may be included in the Agreement, if any, entered into by the various Purchasers among themselves. Each of the Bidders represents that it has not made, and it will not make, any public offering of any of the Stock in violation of the Securities Act of 1933, as amended.

5. There are enclosed herewith certified or official bank check or checks aggregating \$ _____, each such check being drawn to the order of "Attorney General of the United States". Such check or checks represent the deposit on behalf of the several Bidders in accordance with the Statement of Terms and Conditions of an aggregate amount equal to not less than 3% of the total purchase price of the Stock.

6. There has been no substantial change in the proposed Plan of Distribution (if any) included in the Questionnaire submitted by the undersigned except for such changes as have been submitted to, and approved in writing, by you.

7. In consideration of your agreements set forth in the Statement of Terms and Conditions with respect to the acceptance of bids, each of the Bidders agrees that:

- (a) After the bids are opened, its offer included in this bid shall be irrevocable until 5:00 P. M.,* on _____, 1957 (or on the first day following such later date as may be fixed for the submission of bids, as provided in paragraph 3 of the Statement of Terms and Conditions), unless sooner returned or rejected by you; provided, that if this bid shall be one of the highest qualified bids, as provided in paragraph 5(i) of the Statement of Terms and Conditions, such offer, or any improved offer, shall be irrevocable until 5:00 P. M. on _____, 1957 (or on the second day following such later date), and provided further that if the undersigned shall have given a timely affirmative written or telegraphic response to a request from you, pursuant to paragraph 5(ii) of the Statement of Terms and Conditions, such offer shall be irrevocable until such later time and date as you shall have specified; and
- (b) the deposit made on its behalf as aforesaid may be held by you in accordance with the Statement of Terms and Conditions as security for the performance of its obligations, including the obligation, if this bid shall be accepted, to execute such Purchase Agreement and the Agreement with the Company, and, after the execution of such Purchase Agreement and the Agreement with the Company, may be held and disposed of by you as provided in the Purchase Agreement; and
- (c) if this bid shall be accepted, it will (acting through the undersigned as Representative) forthwith furnish to the Company any additional information required in connection with the Post-Effective Amendment referred to in such Purchase Agreement; and
- (d) this bid may be withdrawn at any time prior to the time that the first bid is opened, by delivering notice of withdrawal in writing to the Attorney General at Office of Alien Property, Room 664, 101 Indiana Avenue, N. W., Washington 25, D. C., and if not so withdrawn this bid becomes irrevocable until rejected or accepted.

If this bid shall be accepted by you, you will, forthwith, confirm the acceptance to the undersigned in writing.

* All time referred to herein is Eastern Standard Time.

8. This bid shall be deemed rejected by you unless it shall have been accepted by you in its entirety by 5:00 P. M. on _____, 1957 (or on the first day following such later date as may be fixed by you for the submission of bids as provided in paragraph 3 of the Statement of Terms and Conditions), or by 5:00 P. M., on _____, 1957 (or on the second day following such later date) in case this bid shall be one of the highest qualified bids, as provided in paragraph 5(i) of the Statement of Terms and Conditions, or at such later time and date as you shall have specified, in case the undersigned shall have given a timely affirmative written or telegraphic answer to a request from you pursuant to paragraph 5(ii) of the Statement of Terms and Conditions.

9. No warranties have been made to the undersigned by you or on your behalf relative to the Company or the Stock.

10. Each Bidder represents and warrants that:

- (a) it is an American national as defined in paragraph (c) of Section 505.10 of the Regulations of the Office of Alien Property, Department of Justice, a copy of which is attached to the Questionnaire for Prospective Bidders as Exhibit 1;
- (b) if this bid is accepted, the purchase by the Bidders will not be for or on behalf of an undisclosed principal, nor for the purpose of resale to, or for the benefit of, any person not an American national as defined above;
- (c) except as stated in paragraph 11 of the Questionnaire for Prospective Bidders, no person now or heretofore connected, directly or indirectly, with the Office of the Alien Property Custodian or with the Department of Justice, has any interest of any kind whatever in this bid; and no agreement, either oral, written or otherwise, has been made, directly or indirectly, by any of the Bidders with any such person with respect to this bid; and
- (d) if this bid is accepted, each Bidder will execute and deliver to you its affidavit covering the facts above stated and the facts as stated in its Questionnaire (except such facts as in the Questionnaire are permitted to be based upon estimates) submitted heretofore, at the time the Purchase Agreement is executed.

11. It is agreed that upon the acceptance of this bid, the rights of the Bidders hereunder shall not be assigned without your written consent and the obligations hereunder shall be binding on the heirs, executors, administrators and successors of the Bidders.

12. The validity and interpretation of this bid shall be governed by Federal law.

13. Each of the Bidders acknowledges receipt of a copy of the Prospectus relating to the Stock.

14. Any action on the part of the Attorney General permitted or required by the provisions of this Form of Bid, shall be deemed to have been duly taken, if taken for the Attorney General by (a) the Director or the Deputy Director, Office of Alien Property, or (b) any employee of the Office of Alien Property who has been authorized in writing by the Director or the Deputy Director, Office of Alien Property, to take such action.

Very truly yours,

As Representative of the persons, firms and corporations listed on the following page.

Address:

SCHEDULE A

Names and addresses of bidders and numbers of shares of stock which they respectively offer to purchase:

<u>Name</u>	<u>Address</u>	<u>Number of Shares</u>	
		<u>Common A Shares</u>	<u>Common B Shares</u>

Totals.....	<u>426,988</u>	<u>1,537,500</u>
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OFFICE OF ALIEN PROPERTY

Department of Justice

426,988 Common A Shares
and 1,537,500 Common B Shares

of

GENERAL ANILINE & FILM CORPORATION

Purchase Agreement

Washington, D. C.
, 1957

.....

.....

As Representative(s)

c/o.....

DEAR SIRs:

The undersigned hereby confirms for the Attorney General his agreement with the several Purchasers, named in Schedule I hereto, as follows:

1. Purchasers and Representative.

The term "Purchasers" as used herein shall mean the several persons, firms and corporations named in Schedule I hereto (including the Representative hereinafter mentioned, if so named), and the term "Purchaser" shall mean any one of such persons, firms or corporations. The term "Purchasers", "persons", "firms" and "corporations" as used herein shall include the singular of such terms as well as the plural. The term "Representative" shall mean the representative or representatives to whom this Agreement is addressed who by signing this Agreement represent that it or they have been authorized by each Purchaser to execute this Agreement on behalf of such Purchaser and to act for such Purchaser in the manner herein provided. If there is only one Purchaser, then the term "Representative" shall mean said Purchaser unless the Purchaser shall in fact have appointed a Representative. All obligations of the Purchasers hereunder are several and not joint.

2. Description of Stock.

The Attorney General proposes to sell all of the above-mentioned shares of Stock (such shares being hereinafter referred to as the "Stock") of General Aniline & Film Corporation (hereinafter referred to as the "Company"), for which a Registration Statement is in effect (hereinafter referred to as the "Registration Statement").

3. Purchase and Sale of Stock.

On the terms and subject to the conditions herein set forth, the Attorney General agrees to sell to each of the several Purchasers, severally and not jointly, and each of the Purchasers agrees to purchase from the Attorney General, severally and not jointly, the number of Common A Shares and/or Common B Shares of the Company set forth in Schedule I hereto opposite its name at \$ per Common A Share and \$ per Common B Share, making an aggregate of \$ for the Stock, and agrees to pay, in addition to such purchase price of such Stock, an amount equal to its Proportionate Share of Estimated Expenses, as defined in paragraph 6 hereof.

The Attorney General is advised by the Representative that the Purchasers propose to make a public offering of the Stock.* The Representative is contemporaneously advising the Company in writing of such details of the public offering, including the price to the public and the concessions to dealers and brokers, if any, as are needed to complete the Post-Effective Amendment to the Registration Statement.*

4. Time and Place of Closing.

Delivery of, and payment of the purchase price for, the Stock which the Purchasers severally agree to purchase shall be made at Office of Alien Property, Room 664, 101 Indiana Ave., N. W., Washington, D. C., at 11:00 A. M.† on the fifth full business day following the date of this Agreement, unless the Stock is purchased for purpose of resale in which case the delivery and payment shall be on the fifth full business day following the day on which the Post-Effective Amendment shall become effective, or at such other time and day as shall be agreed upon in writing by the Attorney General and the Representative. The time and date of such payment and delivery are herein referred to as the "Closing Date". At the Closing Date, the Attorney General will deliver the Stock, against payment therefor as provided in paragraph 5 hereof, to the Representative for the respective accounts of the Purchasers.

If for any reason any one or more of the Purchasers shall fail or refuse to purchase and pay for the number of shares of Stock set forth opposite its or their names in Schedule I hereto or be disqualified, the remaining Purchasers shall have the right (but shall be under no obligation) to purchase all of such shares of Stock (in such proportion as may be agreed upon among them) at the Closing Date on the terms herein set forth. If the remaining Purchasers shall not agree to purchase all such shares of Stock, the Attorney General may at the Closing Date elect not to proceed with the sale and delivery of the Stock; in such event, there shall be no liability on the part of the Attorney General or the Company, and there shall be no liability on the part of any Purchaser except as provided in paragraph 5 hereof with respect to the deposit. If, however, the Attorney General shall elect to proceed with the sale and delivery of less than all of the Stock, the failure or refusal or disqualification of one or more of the Purchasers to purchase and pay for the number of shares of Stock set forth opposite its or their names in Schedule I hereto, shall not relieve any other Purchaser from its obligation to purchase and pay for the number of shares of Stock set forth opposite its name in Schedule I hereto or from its obligation to pay its Proportionate Share of Estimated Expenses.

5. Deposits and Payment.

The Attorney General acknowledges receipt of a certified or official bank check or checks aggregating \$, representing the deposits made on behalf of the several Purchasers. The amount so deposited on behalf of each Purchaser shall be held by the Attorney General as security for the faithful performance by such Purchaser of its obligations hereunder until disposed of as provided in this paragraph 5. At the Closing Date, the Representative shall pay or cause to be paid to the Attorney General or his order, upon delivery to the Representative at the office hereinabove specified of the Stock agreed to be purchased hereunder, the amount of the purchase price thereof as provided in paragraph 3 hereof, less the aggregate amount of the deposits referred to above, plus the Estimated Expenses, as defined in paragraph 6 hereof. The Representative shall make payment by delivering certified or official bank checks drawn to the order of the Attorney General of the United States; one or the sum of certain of these checks shall be in an amount equal to the Estimated Expenses; the sum of the balance of these checks shall be equal to the purchase price of the Stock to be purchased hereunder as provided in paragraph 3 hereof, less the aggregate amount of the deposits referred to above. Upon the delivery of such checks, the Attorney General shall apply such deposits, without interest, to the payment of the balance of such purchase price.

If this Agreement is terminated in accordance with the provisions of paragraphs 7 or 8 hereof, the Attorney General forthwith shall return the amount of such deposits, without interest, to the Representative for the account of the Purchasers. If this Agreement is not so terminated and the Purchasers

* If no public offering is contemplated, this sentence is to be deleted.

† All time referred to herein is Eastern Standard Time.

GENERAL ANILINE & FILM CORPORATION

-*-

Percentage of stock of General Aniline & Film held by
U. S. Government..... 98%

Percentage of stock of General Aniline & Film owned by
approximately 1,700 minority stockholders; uncontested
shares..... $\frac{2\%}{100\%}$

Breakdown on above:

Percentage of stock held by U. S. Government, but in
litigation due to claim of ownership by Interhandel,
a Swiss holding Company..... 94.8%

Percentage of stock held by U. S. Government, but not
contested or claimed..... 3.2%

Percentage of stock owned by approximately 1,700
minority stockholders; uncontested shares..... $\frac{2.0\%}{100.0\%}$

Title to 540,894 of the 592,742 outstanding shares Common A stock
and all of the outstanding Common B stock is held by the U. S.
Government.

	<u>Total Outstanding Shares</u>	<u>Shares Held by U. S. Government</u>	<u>Shares in Litigation Claimed by Interhandel</u>
Common "A"	592,742	* 540,894	455,624
Common "B"	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,050,000</u>
Total	2,642,742	2,590,894	2,505,624

(* - 85,270 shares not contested or in litigation. These shares include 20,185 shares vested by the U. S. Government from German nationals and not in litigation; and 65,085 shares authorized but unissued by General Aniline & Film which the Corporation gave to the U. S. Attorney General in November, 1953, for 100 per cent in stock that the Attorney General vested of the General Dyestuff Corporation, a separate sales organization for the Dyestuff & Chemical Division of General Aniline & Film. There was no cash involved in this transaction.)

Capital Stock and Surplus of General Aniline & Film
(sometimes called net worth) per Annual Reports:

Current as of Dec. 31, 1961.....\$141,686,000
Year-end (following World War II) Dec. 31, 1945....\$ 54,720,000
Year-end prior to vesting of stock by U. S. or
Dec. 31, 1941.....\$ 35,048,000

Total Assets of General Aniline & Film
per Annual Reports:

Current as of Dec. 31, 1961.....\$185,092,000
Year-end (following World War II) Dec. 31, 1945....\$ 73,600,000
Year-end prior to vesting of stock by U. S. or
Dec. 31, 1941.....\$ 66,762,000

Vesting of stock of General Aniline & Film Corporation by U. S.
Government - Feb. 16, 1942. Vesting orders completed June 30, 1944.

Interhandel suit filed against U. S. Government (Attorney General)
by Interhandel in U. S. Federal District Court - Oct. 21, 1948.

U. S. Government filed motion in U. S. Federal District Court to
dismiss Interhandel suit - 1950.

U. S. District Court dismissed Interhandel suit "with prejudice"
because of Interhandel failure to produce certain records - 1956.

U. S. Supreme Court reinstated Interhandel - June, 1958. Case
referred to U. S. Federal District Court.

I. G. Farben intervened in Interhandel vs. U. S. Government suit
Nov., 1958. Denied. No appeal made by I. G. Farben.

As of 1962, Interhandel vs. U. S. Government (Attorney General)
suit in pretrial stage.

#

for any reason fail to take up and pay for all of the Stock which the several Purchasers have agreed hereby to purchase, the entire deposits made by all the Purchasers shall become the property of the Attorney General, as liquidated damages, free of any claim on the part of such Purchasers or of the Representative.

6. Payment of Taxes and Expenses.

- (a) Stock Transfer Taxes. Each Purchaser shall pay all stock transfer taxes on the transfer or transfers of Stock to such Purchaser.
- (b) Estimated Expenses. The Attorney General has specified \$ _____ as the Estimated Expenses to cover certain of the expenses, disbursements and fees incurred by the Attorney General in connection with his sale of the Stock, including, among other things, legal fees and disbursements.
- (c) The Proportionate Share of Estimated Expenses of each Purchaser is equal to the product of \$ _____ and a fraction whose numerator is the purchase price of the shares of Stock set forth in Schedule I hereto opposite its name, and whose denominator is the total purchase price of the Stock purchased pursuant to this Agreement.
- (d) No Purchaser shall be liable for any of the amounts actually expendable after payment by the Representative to the Attorney General of the Estimated Expenses. In the event that the actual expenses shall be less than the Estimated Expenses, the Attorney General, after the payment of all expenses, disbursements and fees, will use the unexpended balance to defray other costs of the sale. No amount will be returned to any Purchaser.

7. Conditions of Purchasers' Obligations.

The obligations of the several Purchasers to purchase and pay for the Stock shall be subject to the following conditions:

- (a) The Post-Effective Amendment shall have become effective prior to 7 P. M. on the fifth business day after the date of execution hereof, or at such later time and day as the Representative may from time to time consent to in writing or by telegram.*
- (b) No stop order suspending the effectiveness of the Registration Statement shall be in effect at the Closing Date, and no proceedings for that purpose shall be pending before, or threatened by, the Securities and Exchange Commission at such date, and the Representative shall have received, as of the Closing Date, a certificate signed by the President or a Vice-President of the Company to the effect that no such stop order is in effect and that no proceedings for such purpose are pending before, or, to the knowledge of the signing officer, threatened by, the Securities and Exchange Commission.
- (c) At or prior to the Closing Date, the Representative shall have received from Messrs. Winthrop, Stimson, Putnam & Roberts, Counsel for the Company, an opinion, satisfactory to Messrs. Simpson Thacher & Bartlett, to the effect that:
 - (i) The Company is duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware;
 - (ii) The Company is authorized by its charter to transact the business in which it is engaged, as set forth in the Registration Statement;
 - (iii) The authorized capital stock of the Company consists of 3,000,000 Common A Shares, no par value and 3,000,000 Common B Shares, \$100 par value per share;
 - (iv) The Stock is validly issued and outstanding and is fully paid and non-assessable by the Company;

* If no public offering is contemplated, this subparagraph 7(a) is to be deleted.

- (v) The Company is duly qualified to do business and is in good standing in each of the several jurisdictions in which its ownership of property or the conduct of its business in the judgment of the Company requires such qualification;
- (vi) The Registration Statement and the Prospectus (excepting financial statements and financial data contained therein which such opinion need not pass upon) comply, as to form, in all material respects with the requirements of the Securities Act of 1933, as amended, and the applicable instructions, rules and regulations of the Securities and Exchange Commission thereunder; while they are not passing upon, and are assuming no responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and Prospectus, no facts have come to their attention which have led them to believe on the Closing Date, that, as of the date the Registration Statement became effective, the Registration Statement or the Prospectus contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the statements in the Prospectus under the headings "Capitalization" and "Capital Stock" are to the best of their knowledge accurate statements or summaries of the matters therein set forth and do not omit to state any material fact required to be stated therein or necessary to make such statements not misleading.
- (d) At or prior to the Closing Date, the Representative shall have received from the Attorney General a copy of an opinion from the Chief, Legal and Legislative Section, Office of Alien Property, to the effect that the Stock was validly vested or otherwise validly acquired by the Attorney General, that notwithstanding the pendency of any proceedings or appeals in or arising out of the case captioned "Société Internationale Pour Participations Industrielles et Commerciales, S.A., etc. (I. G. Chemie), Plaintiff v. Brownell, et al., Defendants, Eric G. Kaufman, Ernest Attenhofer, and Annemarie Ruth Klingler, et al., Intervenors" (Civil Action No. 4360-48, United States District Court for the District of Columbia), the Attorney General has authority to sell the Stock; and that, upon payment therefor pursuant to this Agreement, the Purchasers will receive good title to the Stock, free and clear of all claims, liens, encumbrances and equities.
- (e) At or prior to the Closing Date, the Representative shall have received from Messrs. Simpson Thacher & Bartlett, an opinion to the effect stated in subparagraphs (i), (iii) and (iv) of subparagraph (c) of this paragraph 7 and to the following effect:
 - (i) The Registration Statement and the Prospectus (excepting financial statements and financial data contained therein which such opinion need not pass upon) comply, as to form, in all material respects with the requirements of the Securities Act of 1933, as amended, and the applicable instructions, rules and regulations of the Securities and Exchange Commission thereunder, and the statements in the Prospectus under the headings "Capitalization" and "Capital Stock" are to the best of their knowledge accurate statements or summaries of the matters therein set forth and do not omit to state any material fact required to be stated therein or necessary to make such statements not misleading;
 - (ii) The Stock was validly vested or otherwise validly acquired by the Attorney General, that notwithstanding the pendency of any proceedings or appeals in or arising out of the case captioned "Société Internationale Pour Participations Industrielles et Commerciales, S.A., etc. (I. G. Chemie), Plaintiff v. Brownell, et al., Defendants, Eric G. Kaufman, Ernest Attenhofer, and Annemarie Ruth Klingler, et al., Intervenors" (Civil Action No. 4360-48, United States District Court for the District of Columbia), the Attorney General has authority to sell the Stock; and that, upon delivery of the Stock and payment therefor pursuant to this Agreement, the Purchasers will receive good title thereto, free and clear of all claims, liens, encumbrances and equities. As to this subparagraph (ii), the opinion of Messrs. Simpson Thacher & Bartlett may be based upon the opinion of the Chief, Legal and Legislative Section, Office of Alien Property.

- (f) At or prior to the Closing Date, the Representative shall have received from Messrs. Arthur Andersen & Co. an opinion to the effect that the financial statements and schedules which they have certified in the Registration Statement and Prospectus comply as to form in all material respects with the requirements of the Securities Act of 1933, as amended, and the applicable instructions, rules and regulations of the Securities and Exchange Commission thereunder.
- (g) At the Closing Date, the Representative shall have received a certificate, dated the day of the closing, signed by the President or a Vice-President of the Company, to the effect that except as reflected in or contemplated by the Registration Statement, since the respective dates as of which information is given in the Registration Statement, there has not been any material adverse change, financial or otherwise, in the condition of the Company from that set forth in the Registration Statement or Prospectus.
- (h) The Attorney General shall deliver at the closing a letter to the Representative to the effect that as of the time of delivery thereof, no summons has been served upon the Attorney General or the Treasurer of the United States in any suit to which the Attorney General or the Treasurer of the United States is a party affecting the power of the Attorney General to sell any of the Stock to be sold hereunder, except for the suit referred to in subparagraph 7(d) hereof.

In case any of the conditions specified above in this paragraph 7 shall not have been fulfilled, this Agreement may be terminated by the Representative by mailing or delivering written notice thereof to the Attorney General at Office of Alien Property, Room 664, 101 Indiana Avenue, N. W., Washington 25, D. C. Any such termination shall be without liability of any party to any other party.

8. Conditions of the Attorney General's Obligations.

The obligation of the Attorney General to deliver the Stock shall be subject to the following conditions: (a) the Post-Effective Amendment shall have become effective prior to 7 P. M. on the fifth business day after the date of execution hereof, or at such later time and day as the Attorney General may from time to time consent to in writing or by telegram*; (b) no stop order suspending the effectiveness of the Registration Statement shall be in effect at the Closing Date, and no proceedings for that purpose shall then be pending before, or threatened by, the Securities and Exchange Commission, and no suit shall have been instituted to which the Attorney General or the Treasurer of the United States is a party with respect to the power of the Attorney General to sell any of the Stock to be sold hereunder; and (c) each Purchaser shall have executed and delivered to the Attorney General at or prior to the Closing Date (i) an affidavit covering the facts stated in paragraph 10 of Form of Bid and the facts stated in his Questionnaire (except such facts as in the Questionnaire are permitted to be based upon estimates) and (ii) a power of attorney in the form referred to in paragraph 4 of Form of Bid, provided, however, that the power of attorney referred to above may be included in the Agreement, if any, entered into by the various Purchasers among themselves.

In case any of the conditions specified above in this paragraph 8 shall not have been fulfilled, this Agreement may be terminated by the Attorney General by mailing or delivering written notice thereof to the Representative. Any such termination shall be without liability of any party to any other party; provided, that if any Purchaser fails to deliver to the Attorney General the affidavit or power of attorney referred to in subparagraph (c) of this paragraph 8, the Attorney General may disqualify such Purchaser and without terminating this Agreement may refuse to deliver any shares of the Stock to any of the Purchasers unless others of the Purchasers who shall have delivered such affidavits and powers of attorney shall at the Closing Date take up and pay for all of the Stock as permitted by paragraph 4 hereof; and if all the Stock shall not be so taken up and paid for at the Closing Date, the entire deposits of the Purchasers shall become the property of the Attorney General as provided in paragraph 5 hereof.

* If no public offering is contemplated subparagraph 8(a) is to be deleted.

9. Miscellaneous.

This Agreement shall inure to the benefit of the Attorney General, the several Purchasers, and their respective successors. Nothing in this Agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. The term "successor" as used in this Agreement shall not include any purchaser of any of the Stock from any of the several Purchasers. The Attorney General will request the Company to prepare and file such Post-Effective Amendment to the Registration Statement as may be necessary or advisable, in his opinion, under the Securities Act of 1933, as amended.†

10. Notices.

All communications hereunder shall be in writing, and if to the Purchasers shall be delivered to the Representative at _____ and if to the Attorney General shall be delivered to him at the Office of Alien Property, Room 664, 101 Indiana Avenue, N. W., Washington 25, D. C.

11. Action for the Attorney General.

Any action on the part of the Attorney General permitted or required by the provisions of this Agreement, shall be deemed to have been duly taken, if taken for the Attorney General by (a) the Director or the Deputy Director, Office of Alien Property or (b) any employee of the Office of Alien Property who has been authorized in writing by the Director or the Deputy Director, Office of Alien Property, to take such action.

Please sign and return to us the enclosed duplicate of this letter, whereupon this letter will become a binding agreement between the Attorney General and the several Purchasers, in accordance with its terms.

Sincerely yours,

FOR THE ATTORNEY GENERAL

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

.....
Acting on behalf of the several Purchasers named in
Schedule I hereto, including itself if so named.

The Company will, without expense to the Purchaser, and when requested by the Attorney General, prepare and file the Post-Effective Amendment to its Registration Statement referred to in paragraph 9 of the foregoing Agreement.*

GENERAL ANILINE & FILM CORPORATION

By

* If a public offering is contemplated, the covenant by the Company to file the Post-Effective Amendment is to be deleted inasmuch as this is provided for in the Agreement with the Company.

† If a public offering is contemplated, the last sentence of paragraph 9 is to be deleted, inasmuch as the action specified is provided for in the Agreement with the Company.

SCHEDULE I

<u>Name of Purchaser</u>	<u>Address</u>	<u>Number of Shares</u>		<u>Amount</u>
		<u>Common A Stock Shares</u>	<u>Common B Stock Shares</u>	

Totals	<u>426,988</u>	<u>1,537,500</u>	<u>\$</u>
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GENERAL ANILINE & FILM CORPORATION

Common A Shares and Common B Shares

AGREEMENT WITH THE COMPANY

Washington, D. C.
Date , 1957

.....

.....

As Representative(s)

c/o.....

DEAR SIRs:

In connection with the Registration Statement filed by General Aniline & Film Corporation (hereinafter referred to as the "Company") with the Securities and Exchange Commission, the Post-Effective Amendment thereto to be filed with the Commission, and the Purchase Agreement dated , 1957 entered into between the Purchasers (the term "Purchasers" as used herein shall include the singular of such term as well as the plural) and the Attorney General, this is to confirm the agreement between the Company and the Purchasers as follows:

1. The Purchasers will forthwith furnish to the Company in writing such details of the public offering, including the price to the public and the concessions to dealers and brokers, if any, and such other information with respect to the Purchasers, as are needed for the Post-Effective Amendment. The Purchasers and the Company, without charge to the Purchasers, will use their best efforts to prepare, as promptly as possible, and the Company will thereafter promptly file, a Post-Effective Amendment to its Registration Statement and an amended Prospectus, and will use its best efforts to cause such Post-Effective Amendment to become effective at the earliest possible time. Such Registration Statement as amended by the Post-Effective Amendment and the amended Prospectus are hereinafter referred to as the "Registration Statement" and the "Prospectus", respectively. The Company will not at any time on or after the date hereof and prior to the time that the Post-Effective Amendment becomes effective file any amendment to the Registration Statement of which the Representative shall not previously have been advised or which shall have been disapproved in writing by Messrs. Simpson Thacher & Bartlett, and will not file any amendment to the Registration Statement after the Post-Effective Amendment becomes effective of which the Representative shall not previously have been advised, or which shall have been disapproved in writing by Messrs. Simpson Thacher & Bartlett.

2. At the expense of the Purchasers, the Company will furnish to the Representative, upon request, reasonable quantities of the Registration Statement and all amendments thereto, or a Registration Statement in composite form (but excluding the exhibits), and the Prospectus.

3. The Company will promptly deliver to the Representative a copy of the Registration Statement as originally filed and of all the amendments thereto heretofore or hereafter filed, including the Post-Effective Amendment, signed by or on behalf of the proper officers of the Company and a majority of its Board of Directors, and including a signed copy of each consent and certificate included therein or filed as an exhibit thereto.

4. The Company will advise the Representative promptly (confirming such advice in writing) of any official request made by the Securities and Exchange Commission for amendments to the Registration Statement or Prospectus or for additional information with respect thereto and of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, and if such a stop order should be entered by the Securities and Exchange Commission, the Company will make every reasonable effort to obtain the lifting or removal thereof as soon as possible.

5. The Company agrees at the Closing Date referred to in the Purchase Agreement to advise the Representative concerning any material adverse change, financial or otherwise (not reflected in or contemplated by the Registration Statement) in the condition of the Company since the respective dates as of which information is given in the Registration Statement, and, if none has occurred, to furnish to the Representative a statement to that effect.

6. The Company will, upon request made by the Representative within 60 days after the date of this agreement, without cost to the Purchasers, use its best efforts to qualify the stock of the Company referred to in the Purchase Agreement, or to assist in the qualification of such stock by or on behalf of the Purchasers, for offer and sale under the securities or Blue Sky laws of such states as the Representative may designate, provided that no such qualification shall be required if as a result thereof the Company would be required to qualify to transact business as a foreign corporation in any state in which it is not now so qualified, or would be subject to service of process in any action or suit not connected, directly or indirectly, with the qualification or distribution of such stock in such state, or would be required to qualify as a dealer in securities, and further provided, that no such qualification shall be required when, as, and if, the Company shall have expended for such Blue Sky qualifications an aggregate of \$2500.

7. During the period in which the Prospectus is required to be used pursuant to the Securities Act of 1933, as amended, if any event shall have occurred as a result of which the Prospectus as then amended would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, the Company will notify the Representative and upon request of the Representative will prepare and furnish, without charge, to each Purchaser and to any dealer in securities, as many copies as the Representative may from time to time reasonably request of a supplement to the Prospectus or an amended Prospectus which will correct such statement or omission. The provisions of this paragraph 7 shall not apply to changes made necessary by reason of changes in information supplied by the Purchasers.

8. The Company will make generally available to its security holders, as soon as practicable, an earning statement (which need not be audited by independent public accountants) covering a period of at least twelve months beginning with the calendar month following the effective date of the Post Effective Amendment.

9. The Company will make available at such Closing Date temporary or permanent certificates for an aggregate of 426,988 of its Common A Shares, and 1,537,500 of its Common B Shares in such names (subject to the provisions of Section 505.10 of the Regulations of the Office of Alien Property, Department of Justice, and of its Certificate of Incorporation, as amended) and denominations as the Representative may request upon at least one full business day's prior notice to the Company,

and will at such Closing Date deliver such certificates to the Representative upon the delivery to it of stock certificates in good form for delivery, for the same number of shares, being shares vested or held by the Attorney General, and upon the payment of all necessary stock transfer taxes in connection therewith, and upon the delivery to it, by each person in whose name a stock certificate is to be registered, of a form of certification in the form filed as an exhibit to the Registration Statement, executed by such person.

10. The Company will pay the printing and distribution costs incurred with respect to paragraphs 1 and 7 hereof, the disbursements and filing and other fees necessitated by the qualification of the shares pursuant to paragraph 6 hereof, and the counsel fees incurred by the Company in the performance of all of its obligations under this Agreement.

Please sign and return to the Company the enclosed duplicate of this letter, whereupon this letter will become a binding agreement between the Company and the Purchasers, in accordance with its terms.

Very truly yours,

GENERAL ANILINE & FILM CORPORATION

By

The foregoing Agreement is hereby confirmed
and accepted as of the date first above written.

.....
Acting on behalf of the several Purchasers
named in the Purchase Agreement.

GENERAL ANILINE & FILM CORPORATION

CERTIFICATE OF INCORPORATION OF
AMERICAN I. G. CHEMICAL CORPORATION

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF
INCORPORATION

CERTIFICATE OF REDUCTION OF CAPITAL

CERTIFICATE OF AMENDMENT TO CERTIFICATE OF
INCORPORATION

CERTIFICATE OF OWNERSHIP, MERGING GENERAL ANILINE
& FILM CORPORATION INTO AMERICAN I. G. CHEMICAL
CORPORATION, ASSUMING THE NAME OF
GENERAL ANILINE & FILM CORPORATION

AGREEMENT OF MERGER

BETWEEN

GENERAL ANILINE & FILM CORPORATION

AND

AGFA ANSCO CORPORATION

FOR THE MERGER OF AGFA ANSCO CORPORATION

INTO

GENERAL ANILINE & FILM CORPORATION

CERTIFICATE OF OWNERSHIP

OF

GENERAL ANILINE & FILM CORPORATION

MERGING

OZALID CORPORATION

INTO

GENERAL ANILINE & FILM CORPORATION

CERTIFICATE OF OWNERSHIP of
GENERAL ANILINE & FILM CORPORATION
Merging GENERAL DYESTUFF CORPORATION
Into GENERAL ANILINE & FILM CORPORATION

CERTIFICATE OF INCORPORATION
OF
AMERICAN I. G. CHEMICAL CORPORATION

FIRST: The name of the corporation is

AMERICAN I. G. CHEMICAL CORPORATION.

SECOND: The principal office or place of business of the corporation in the State of Delaware is to be located at No. 7 West Tenth Street, in the City of Wilmington, County of New Castle. The name of its resident agent is the Corporation Trust Company of America, and the address of the said resident agent is No. 7 West Tenth Street, in the said City of Wilmington.

THIRD: The nature of the business of the corporation and the objects or purposes to be transacted, promoted or carried on by it are as follows:

(a) To engage in the business of purchasing, manufacturing, compounding, refining, distributing, selling, importing, exporting, exploiting and using, and to purchase, manufacture, compound, refine, distill, treat, prepare, analyze, synthesize, produce and in every way deal in and with, chemicals of every kind, chemical materials, substances and products, including acids, alkalis and salts, their compounds and derivatives, and also derivatives, materials, products, substances and combinations produced or manufactured therefrom, including solids, liquids and gases of all kinds; to engage in the separation or reduction and treatment of solids, liquids, and gases into their constituents; to produce and utilize and deal in and with chemical combinations of all kinds; to construct, erect, acquire, lease, hire, sell, dispose of, operate and use plants, machinery, equipment, apparatus and

appliances of any and every kind for the production or manufacture of, or the business of dealing in and with, solids, liquids, gases, chemical combinations, separations or reductions, and for the production and utilization of new substances, solids, liquids or gases, including containers and devices of all kinds for storing, transporting, using and vending the same, and also for the production, preparation, treatment, handling and utilization of gases and constituents of the air, liquids and solids for any mechanical, manufacturing, commercial or other trade or business use; to do all and everything necessary or incidental to the proper conduct of any such business, or of any other business or businesses directly or indirectly connected therewith, and to acquire, own, use, develop, sell, exploit and deal in processes, inventions, apparatus and machinery of any and every kind necessary or useful in connection with the foregoing business or any business allied thereto.

(b) To foster and finance the development of chemical and allied industries in the United States of America and elsewhere. To subscribe for, or cause to be subscribed for, purchase or otherwise acquire, own, hold, sell, negotiate, assign, deal in, exchange, transfer, mortgage, pledge or otherwise dispose of shares of stock, scrip, bonds, coupons, mortgages, debentures, debenture stock, securities, notes, trade acceptances, drafts and evidences of indebtedness issued or created by any corporation, joint stock company or association, whether public, quasi-public, private or municipal, or by any domestic or foreign state, government or governmental authority or any political or administrative subdivision or department thereof and any and all trust, participation or other certificates of, or receipts evidencing interest in, any such shares, instruments or securities, and, while the owner thereof, to possess and to exercise with respect thereto all the rights, powers and privileges of ownership, including the right to vote thereon; to guarantee payment of dividends on any shares of stock of any corporation, joint stock company or association in which the corporation has or may at any time have an interest, and to become surety with respect to, endorse or otherwise guarantee the payment of the principal of or the interest on any scrip, bonds, coupons, mortgages, debentures, debenture

stock, securities, notes, drafts, bills of exchange or evidence of indebtedness, issued or created by any such corporation, joint stock company or association.

(c) To make and enter into any and all arrangements with any domestic or foreign governmental or municipal authority which may be deemed to be for the benefit of the corporation; to obtain from any such authority or otherwise to acquire, by purchase, lease, assignment or in any manner, any powers, rights, privileges, immunities, franchises and concessions which the corporation may deem desirable; to exercise and exploit the same; and to undertake and prosecute any business dependent thereon.

(d) To manufacture, buy, sell and generally deal in and with goods, wares, merchandise, property and commodities of any and every class and description, and any and all articles used or useful in connection therewith, in so far as may be permitted by the laws of the State of Delaware or of any other state, territory or country in which the corporation may do business; to engage in any business, whether manufacturing or otherwise, which the corporation may deem advantageous or useful in connection with any or all of the foregoing, and to purchase, acquire, manufacture, market, prepare for market, sell, import, export or otherwise dispose of any article, commodity or thing which the corporation may use in connection with its business.

(e) To obtain, purchase, or otherwise acquire and to hold, apply for, prosecute, own, use, sell, assign or otherwise dispose of, to grant licenses in respect of and otherwise exploit and turn to account any and all inventions and improvements and any letters patent or applications therefor, including design patents of the United States or other countries and to obtain and hold licenses or other patent rights; to devise, adopt, use, own, purchase or otherwise acquire and to sell, assign or otherwise dispose of any and all trade marks, trade names and trade mark rights and registrations or applications for registration therefor in the United States or any other countries, to apply for and secure registrations for trade marks in the United States and in other countries, and when purchasing, acquiring or otherwise obtaining any such trade marks, trade names or trade mark

rights to take over and acquire the good will, assets and business in connection with which said trade marks, trade names or trade mark rights are or have been used; also any and all copyright processes, formulae, trade secrets and devices of all kinds, and to use, exercise and develop the same. To acquire the good will, rights and property and to undertake the whole or any part of the assets and liabilities of any person, firm, association or corporation engaged in a similar line of business and to pay for the same in cash, stock or bonds of this corporation or otherwise.

(f) To purchase or otherwise acquire the whole or any part of the property, assets, business, good will and rights, and to undertake and assume the whole or any part of the liabilities and obligations, of any person, firm, association or corporation, and to pay for the same in cash, in the stock or shares of stock of any class of the corporation, or the bonds, notes or other obligations thereof, or otherwise; to hold or in any manner to dispose of the whole or any part of the property or assets so acquired; to conduct the whole or any part of any business so acquired, and to exercise all the powers necessary or convenient in and about the conduct, management and carrying on of such business.

(g) To borrow money for any of the purposes of the corporation, and to issue bonds, debentures, debenture stock, notes and other obligations therefor, and to secure the same by pledge or mortgage of the whole or any part of the property of the corporation, either real or personal, or to issue bonds, debentures, debenture stock, notes or other obligations without any such security.

(h) To enter into, make, perform and carry out contracts of every kind for any lawful purpose, without limit as to amount, with any person, firm, association, corporation or public, quasi-public or municipal body politic, and with the government of any state, territory or country, or any political subdivision or department thereof.

(i) To draw, make, accept, endorse, discount, execute and issue promissory notes, drafts, warrants, and any and all kinds

of obligations and certificates and negotiable or transferable instruments, necessary or incidental to the conduct of the business and affairs of the corporation.

(j) To buy, sell, manufacture or cause to be manufactured, produce and generally to traffic and deal in and contract for the sale, purchase, supply and letting on hire or otherwise of any and all fixtures, furniture, implements, instruments, tools, machinery, supplies, signs, labels, boxes, advertising matter of every kind, nature and description, and other personal property and things, and to purchase, lease or otherwise acquire, erect, exchange, sell, let or otherwise dispose of, own, maintain, develop, equip, improve and repair any and all improved or unimproved real estate or property, plants, depots, warehouses, supply stations, stores, buildings and other places.

(k) To issue shares of stock (of any class) bonds, debentures, debenture stock, notes and other obligations of this corporation for cash, labor done or property, real or personal, or leases thereof, or for any combination of any of the foregoing, or in exchange for the stock, debentures, debenture stock, bonds, securities or obligations of any person, firm, association, corporation or other organization.

(l) To acquire by purchase, lease, or otherwise, and to own, hold, sell, mortgage and encumber both improved and unimproved real estate wherever situate; to survey, subdivide, plat, colonize and improve the same for purposes of sale or otherwise, and to construct and erect thereon warehouses, factories, works, plants, stores, mills, hotels, houses and other buildings.

(m) To do any and all things herein set forth, and, in addition, such other acts and things as are necessary or convenient to the attainment of the purposes of the corporation, or any of them, to the same extent as a natural person lawfully might or could do in any part of the world, in so far as such acts are permitted to be done by a corporation organized under the General Corporation Laws of the State of Delaware.

THE FOREGOING CLAUSES shall be construed, both as objects and powers; and it is hereby expressly provided that the foregoing enumer-

ation of specific powers shall not be held to limit or restrict in any manner the powers of the corporation, and are in furtherance of and in addition to, and not in limitation of, the general powers conferred by the laws of the State of Delaware.

It is the intention that the purposes, objects and powers specified in the foregoing paragraphs shall, except as otherwise expressly provided, in nowise be limited or restricted by reference to or inference from the terms of any other clause or paragraph hereof, and that each of the purposes, objects and powers specified therein shall be regarded as independent purposes, objects and powers.

FOURTH: The total number of shares that may be issued by the corporation is Six Million (6,000,000), all of which are to be Common Shares, without par value, and of which Three Million (3,000,000) are to be Common A Shares and of which Three Million (3,000,000) are to be Common B Shares.

The amount of capital with which the corporation shall commence business is One thousand Dollars (\$1,000).

The designations, powers, preferences, rights, qualifications, limitations, restrictions relative, participating optional or other special rights of the Common A Shares and Common B Shares of stock are as follows:

A. Each shareholder of Common A and Common B Shares of stock shall be entitled to one vote for each share of which he is the record owner;

B. Dividends on Common A shares and Common B shares shall be declared and paid on the following basis:

For each one dollar (\$1.00) or fraction thereof, of dividends, declared and paid on each share of Common A stock, dividends of ten (10) cents, or fraction thereof, shall be declared and paid on each share of Common B Stock, and no dividend shall be declared and paid on either Common A or Common B Stock, unless at the same time dividends as herein

provided are declared and paid on both Common A and Common B Stock.

C. In case of liquidation or dissolution of the corporation, each holder of record of Common A stock shall first receive not in excess of Seventy-five Dollars (\$75.00) per share of the funds and property of the corporation available for distribution. The remainder shall be distributed in equal parts, per share, to the holders of the outstanding Common A and Common B Stock.

D. Common A Shares may be issued at any time up to and including December 31, 1931, to holders for value of an issue of 5½% convertible debentures of the corporation (not in excess of \$30,000,000) who may desire to surrender the same and convert the same into Common A shares, on the basis of one \$1,000 debenture for 17 shares of Common A Shares, and from

Jan. 1, 1932 until Dec. 31, 1932 into 16 Common A Shares.
Jan. 1, 1933 until Dec. 31, 1933 into 15 Common A Shares.
Jan. 1, 1934 until Dec. 31, 1934 into 14 Common A Shares.
Jan. 1, 1935 until Dec. 31, 1935 into 13 Common A Shares.
Jan. 1, 1936 until Dec. 31, 1936 into 12 Common A Shares.
Jan. 1, 1937 until Dec. 31, 1937 into 11 Common A Shares.
Jan. 1, 1938 until Dec. 31, 1938 into 10 Common A Shares.

E. During the term of the conversion privilege the necessary number of shares of Common A stock shall be held in the treasury of the corporation to effectuate the right of conversion above stated. The Corporation shall have the right to grant an option or options for the purchase from it of shares of Common A stock from time to time on or prior to Jan. 1, 1935, the aggregate of any such purchase or purchases not to exceed 1,000,000 shares for not less than the conversion price of each \$1,000 of an issue of 5½% convertible debentures prevailing at the time of such purchase or purchases as provided in Paragraph Fourth, subdivision D above set forth. The remaining shares of Common A stock may be issued from time to time upon such terms and conditions and for such legal consideration as the Board of Directors may, from time to time, determine, and neither the holders of Common A stock nor the holders of Common B stock

shall have any preemptive rights to subscribe for such remaining shares of Common A stock.

F. Common A Shares may be redeemable in whole, or from time to time, in part, at the market price for such Common A Shares as shown by the average quotations for such shares on any recognized stock exchange during the thirty days next preceding such call for redemption but in no event at a less price than \$10 per share in excess of the last price at which any guaranteed 5½% Convertible Debenture of the Corporation issued under the Trust Agreement, dated May 1, 1929, shall have been converted into Common A shares, either at the option of the Corporation or by operation of a sinking fund, and may be exchangeable for or convertible into Stock of any other Class or Classes on such terms, as may be fixed by the Board of Directors not inconsistent with the provisions of this Certificate of Incorporation.

G. Anything in this Certificate of Incorporation to the contrary notwithstanding, neither the increase of the number of Common A Shares, nor the increase of the number of Common B Shares, authorized by this Certificate to be issued (namely 3,000,000 shares of each) shall be authorized hereafter without a corresponding authorization of increase of the other. In the event of the increase of the authorized amount of Common B Shares, each shareholder of Common B Shares shall have the option to acquire the same number of additional shares in the ratio which the percentage of his shareholdings of the total issued and outstanding Common B Shares bears to the number of additional shares authorized to be issued, at One Dollar (\$1) per share; provided at no time shall there be issued Common B shares (in addition to the original 3,000,000 shares) in excess of the number of Common A shares outstanding at the time of such proposed new issue; the Company being empowered after 3,000,000 Common A shares and 3,000,000 Common B shares have been issued, to issue additional Common B shares, if however, at the same time the same number of Common A shares are issued. The Board of Directors is expressly authorized to effectuate this provision.

FIFTH (a): The vote of fifty-one per cent. of all of the shares, entitled to vote, shall be necessary and sufficient for any amendment of this Certificate of Incorporation, any increase or decrease of capitalization and for any other corporate action by stockholders, except that no change affecting Common A shares shall be made against the adverse vote of twenty-five per cent. of the number of issued and outstanding Common A shares.

(b) Shareholders to the extent of fifty-one per cent. of all of the shares entitled to vote, shall be present or represented by proxy at any shareholders meeting, regular or special, to constitute a quorum for the transaction of any business.

SIXTH: The names and places of residences of the incorporators are as follows:

<i>Name</i>	<i>Residence</i>
Herman A. Metz,	38 West 74th Street, New York City, N. Y.
Gustave P. Metz,	3907-209th Street, Bayside, Long Island, N. Y.
Arthur L. Hack,	320 Eastern Parkway, Brooklyn, N. Y.

SEVENTH: The corporation is to have perpetual existence.

EIGHTH: The private property of the stockholders of the corporation shall not be subject to the payment of corporate debts to any extent whatever.

NINTH: The following provisions are adopted for the regulation of the business and for the conduct of the affairs of the corporation and for further defining, limiting and regulating the powers of the corporation, its directors and stockholders:

(a) The corporation may have one or more offices and may conduct its business, in whole or in part, not only within but without the State of Delaware. The books of the corporation may be kept outside the State of Delaware at such place or places as may, from time to time, be designated by the Board of Directors, except that either the original or a duplicate stock ledger shall be kept at the principal office of the corporation within the said State.

(b) Subject to the provisions of this Certificate of Incorporation, and the laws of the State of Delaware, the corporation may use and apply its surplus or accumulated profits, not otherwise by law or by the provisions of this Certificate of Incorporation required to be reserved, to the purchase or acquisition of shares of its own stock of any class or series, from time to time, to such extent and in such manner and upon such terms as the Board of Directors shall determine; and neither the stock so purchased or acquired, nor any of its own stock taken in payment or satisfaction of any debt due to the corporation, shall be regarded as profits for the purpose of declaration or payment of dividends, unless otherwise determined by a majority of the Board of Directors. Shares of its own stock belonging to the corporation shall not be voted upon, directly or indirectly.

(c) The number of directors of the corporation shall be fixed by the By-Laws, and may be altered, from time to time, by amendment of the By-Laws, subject to the provisions of this Certificate of Incorporation and to the provisions of the laws of the State of Delaware existing at the time. An increase of the number of directors shall be deemed to create vacancies, in the Board, to be filled in the manner herein or in the By-Laws provided. Any director or any officer elected or appointed by the stockholders or by the Board of Directors may be removed at any time, subject to the provisions of this Certificate of Incorporation, in such manner as shall be provided in the By-Laws. Directors need not be stockholders.

(d) Subject to the provisions of the By-Laws the Board of Directors shall have power to make, alter, and repeal the By-

Laws, and may provide therein for the appointment of an Executive Committee of two or more members from their own number, and of such other committees as the Board may deem advisable, to exercise, during the intervals between meetings of the Board, all or any of the powers of the Board which may lawfully be delegated, including the power to authorize the Seal of the Corporation to be affixed to all papers which may require it. The By-Laws may be altered or repealed at any time by the stockholders.

(e) The business of the corporation shall be managed by its Board of Directors. The Board of Directors shall have power to exercise all the powers of the Corporation, without any action of or by the stockholders, except as otherwise provided by the Statutes of the State of Delaware or by this Certificate of Incorporation, or by the By-Laws.

(f) Except as in this Certificate of Incorporation otherwise provided, or as provided by Statute to the contrary, the Board of Directors may, from time to time by vote of a majority of the whole number of directors then in office, without the assent or other action of the stockholders borrow or raise money, without limit as to amount, for any of the purposes of the corporation, and may authorize the issue of bonds, debentures, notes or other obligations of the corporation of any nature or in any manner for money so borrowed, and may authorize the creation of mortgages upon, or the pledge, conveyance or assignment of, the whole or any part of the property of the corporation, real or personal, whether at the time owned or acquired thereafter, to secure the payment of such bonds, debentures, notes or other obligations and the interest thereon and may authorize the sale or pledge or other disposition of such bonds, debentures, notes or other obligations of the corporation for its corporate purposes.

(g) Subject to the provisions of this Certificate of Incorporation or any provision of law and the By-Laws, the Board of Directors shall have power to determine whether any, and (if any) what part, of the net assets in excess of the capital of the corporation computed in accordance with the provisions of the

statutes, or, in case there shall be no excess, out of its net profits for the fiscal year then current and/or the preceding fiscal year subject however to the provisions of the statutes of the State of Delaware shall be declared and paid out as dividends to the stockholders, and to direct and determine the use and disposition of any such profits or assets.

(h) The Board of Directors shall have power, in accordance with the By-Laws, in its discretion, to fix, determine and vary from time to time the amount to be maintained as surplus, and the amount or amounts to be set apart as working capital.

(i) The Board of Directors in accordance with the By-Laws, from time to time, shall determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books and papers of the corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of the corporation, except as expressly conferred by the laws of the State of Delaware, or authorized by resolution of the Board of Directors.

(j) In the absence of fraud, no contract or other transaction between the corporation and any other corporation, and no act of the corporation, shall in any way be affected or invalidated by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation; and, in the absence of fraud, any director, individually, or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the corporation; *Provided*, in any case, that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof; and any director of the corporation who is also a director or officer of any such other corporation, or who is also interested, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the corporation which shall authorize any such contract, act or transaction and may vote thereat to authorize any such contract, act or transaction, with like force

and effect as if he were not such director or officer of such other corporation, or not so interested.

Any contract, act or transaction of the corporation or of the directors, may be ratified by a vote of fifty-one per cent. of the shares having voting powers at any annual meeting of shareholders, or at any special meeting called for such purpose, and such ratification shall, so far as permitted by law and by this Certificate of Incorporation, be as valid and as binding as though ratified by every stockholder of the corporation.

(k) The corporation may, at any meeting of its Board of Directors, sell, convey, assign, transfer, lease, exchange or otherwise dispose of its properties and assets (including its good will and its corporate franchises), as an entirety or substantially as an entirety, upon such terms and conditions and for such consideration (whether cash or the stocks or bonds of any corporation or corporations, or other property) as its Board of Directors may deem expedient and for the best interests of the corporation, when and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by written consent of the holders of a majority of the voting stock issued and outstanding.

(l) Subject to the provisions of this Certificate of Incorporation and the By-Laws, the corporation reserves the right to amend, alter, change, add to or repeal any provision contained in this Certificate of Incorporation, in the manner prescribed in the Certificate of Incorporation of the corporation; and all rights herein conferred on officers, directors and stockholders are granted subject to this reservation.

(m) Subject to the provisions of this Certificate of Incorporation, the corporation may issue its shares without par value, of any class or series, from time to time, and any securities convertible into shares without par value, of any class or series, for such consideration as may be fixed, from time to time, by the Board of Directors, which is hereby expressly authorized to fix the same, in its absolute and uncontrolled discretion.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the General Corporation Law of the State of Delaware, being Chapter 65 of the Revised Code of Delaware, and the acts amendatory thereof and supplemental thereto, do make this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this 25th day of April, A. D., 1929.

HERMAN A. METZ (Seal)

GUSTAVE P. METZ (Seal)

ARTHUR L. HACK (Seal)

In presence of:

ALMUTH C. VANDIVER,

OTTO V. SCHRENK.

STATE OF NEW YORK, }
COUNTY OF NEW YORK. } ss.:

BE IT REMEMBERED, that on this 25th day of April, A. D., 1929, personally came before me HENRY PLATT, a Notary Public for the State of New York, HERMAN A. METZ, GUSTAVE P. METZ and ARTHUR L. HACK, all of the parties to the foregoing Certificate of Incorporation, known to me personally to be such, and severally acknowledged the said Certificate to be the act and deed of the signers respectively and that the facts therein stated are truly set forth.

GIVEN under my hand and seal of office the day and year aforesaid.

HENRY PLATT,
Notary Public,
New York County No. 93.
New York County Register's No. 1P26;
Commission Expires March 30, 1931.



CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

AMERICAN I. G. CHEMICAL CORPORATION, a corporation organized and existing under and by virtue of the provisions of an Act of the General Assembly of the State of Delaware, entitled "An Act Providing a General Corporation Law," approved March 10, 1899, and the acts amendatory thereof and supplemental thereto, the certificate of incorporation of which was filed in the office of the Secretary of State of Delaware on April 26, 1929, and recorded in the office of the Recorder of Deeds for New Castle County, State of Delaware, on the 26th day of April, 1929.

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of said American I. G. Chemical Corporation duly held and convened, a resolution was duly adopted setting forth an amendment proposed to the certificate of incorporation of said corporation as follows:

"RESOLVED that, in the judgment of the Board of Directors of American I. G. Chemical Corporation, it is advisable to amend the certificate of incorporation of American I. G. Chemical Corporation, filed in the office of the Secretary of State of the State of Delaware April 26, 1929, by eliminating therefrom the first paragraph of Article four thereof reading as follows:

'FOURTH: The total number of shares that may be issued by the corporation is Six Million (6,000,000), all of which are

to be Common Shares, without par value and of which Three Million (3,000,000) are to be Common A Shares and of which Three Million (3,000,000) are to be Common B Shares.'

and substituting therefor the following:

'FOURTH: The total number of shares of stock that may be issued by the corporation is Six Million (6,000,000), all of which are to be Common Shares and of which Three Million (3,000,000) are to be Common A Shares, each without par value and of which Three Million (3,000,000) are to be Common B Shares each of the par value of one dollar (\$1.00).'' and declaring said amendment advisable and calling a meeting of the stockholders of said corporation for consideration thereof.

SECOND: That thereafter, pursuant to the aforesaid resolution of its board of directors, a special meeting of the stockholders of said American I. G. Chemical Corporation was duly called and held, in accordance with law and the by-laws of said corporation, at the office of the Company in the City of New York, State of New York, on the 31st day of December, 1929, at ten o'clock in the forenoon, at which meeting stockholders representing more than a majority of the voting stock of said corporation were present in person or by proxy; that at said meeting, a vote of the stockholders by ballot in person or by proxy was taken for and against said proposed amendment, which vote was conducted by Leo K. Martus and Cornelius P. Cotter, two judges appointed for that purpose by said meeting; and that at said meeting, by vote conducted as aforesaid, said amendment was adopted pursuant to Section 26 of the General Corporation Law of Delaware as amended, the persons or bodies corporate holding the majority of the issued and outstanding voting stock of said corporation voting for said proposed amendment, to wit: 3,090,851 shares out of the total issue of 3,401,139 shares were voted for said proposed amendment and no shares were voted against the same, as appears by the certificate made by said Judges.

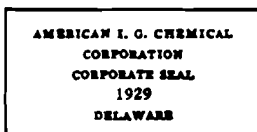
THIRD: That the capital of said Company will not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, the AMERICAN I. G. CHEMICAL CORPORATION has caused this certificate to be executed by its Vice-President and Secretary, hereunto duly authorized, and its corporate seal to be hereunto affixed, this 31st day of December, 1929.

AMERICAN I. G. CHEMICAL CORPORATION

By HERMAN A. METZ,
Vice-President.

W. H. VOM RATH,
Secretary.

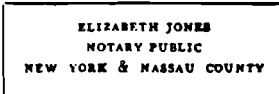


STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

BE IT REMEMBERED that on this 31st day of December, A. D. 1929, personally came before me Elizabeth Jones, a Notary Public in and for the County and State aforesaid, HERMAN A. METZ and WILLIAM H. VOM RATH, Vice-President and Secretary, respectively, of AMERICAN I. G. CHEMICAL CORPORATION, a corporation of the State of Delaware, the corporation described in and which executed the foregoing certificate, known to me personally to be such, and they, the said HERMAN A. METZ, as Vice-President, and WILLIAM H. vom RATH, as Secretary, duly executed said certificate before me and acknowledged the said certificate to be their act and deed and the act and deed of said corporation; that the signatures of the said Vice-President and of the Secretary of said corporation to said foregoing certificate are in the handwriting of the said Vice-President and Secretary of said Company respectively, and that the seal affixed to said certificate is the common or corporate seal of said corporation, and that their act of sealing, executing, acknowledging and delivering the said certificate was duly authorized by the board of directors and stockholders of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

ELIZABETH JONES,
Notary Public,
New York County No. 285,
Nassau County,
Expires March 30, 1931.



CERTIFICATE OF REDUCTION OF CAPITAL
OF
AMERICAN I. G. CHEMICAL CORPORATION

AMERICAN I. G. CHEMICAL CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify as follows:

1. That at a special meeting of the board of directors of said corporation duly called and held a resolution, providing, subject to the adoption by stockholders of a supplemental resolution in accordance with the provisions of Section 28 of the General Corporation Law of the State of Delaware, for a reduction of the capital of the corporation to the extent and in the manner hereinafter set forth, was duly adopted, and that at a special meeting of stockholders of said corporation duly called and held for the purpose upon at least ten days notice given in accordance with the by-laws of the corporation to said stockholders the following resolution, supplementing said resolution of the board of directors, was duly adopted in accordance with the provisions of Section 28 of the General Corporation Law of the State of Delaware by the holders of record of a majority and at least fifty-one per centum (51%) of the total number of shares of the corporation having voting powers at the time outstanding, and that there was no adverse vote, i.e., a vote against the adoption of said resolution, by the holders of at least twenty-five per centum (25%) of the number of issued and outstanding Common A Shares:

RESOLVED, that the capital of American I. G. Chemical Corporation be reduced from \$18,079,000 consisting of \$15,079,000

with respect to the issued and outstanding Common A Shares without par value plus \$3,000,000 with respect to and being the par value of the issued and outstanding Common B Shares, to \$15,157,975, so that the capital liability with respect to each issued and outstanding Common A Share without par value shall be \$25 and the capital liability with respect to each issued and outstanding Common B Share shall be \$1, its par value, and that such reduction shall be effected by reducing the aggregate amount of capital represented by the shares of stock having no par value, i.e., the Common A Shares, from \$15,079,000 to \$12,157,975, the latter amount being \$25 per share with respect to each outstanding Common A Share.

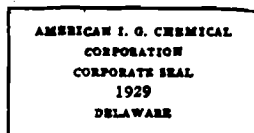
2. That the assets of the corporation remaining after such reduction are sufficient to pay any debts, the payment of which has not been otherwise provided for.

3. That said reduction of capital has not been effected by retiring any shares.

IN WITNESS WHEREOF, said American I. G. Chemical Corporation has caused its corporate seal to be hereunto affixed, and this certificate to be signed by Wilfrid Greif, its First Vice-President, and by William H. vom Rath, its Secretary, this 28th day of March, A. D. 1935.

WILFRID GREIF,
First Vice-President.

WILLIAM H. VOM RATH,
Secretary.

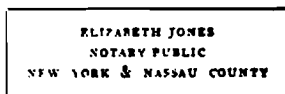


STATE OF NEW YORK, }
COUNTY OF NEW YORK, } ss.:

BE IT REMEMBERED that on the 28th day of March, A.D. 1935, personally came before me Elizabeth Jones, a notary public in and for the State and County aforesaid, WILFRID GREIF, First Vice-President of AMERICAN I. G. CHEMICAL CORPORATION, a corporation of the State of Delaware, the corporation described in and which executed the foregoing certificate, known to me personally to be such, and that he, the said Wilfrid Greif, as such First Vice-President, duly executed said certificate before me and acknowledged the said certificate to be his act and deed and the act and deed of said corporation; that the signatures of said First Vice-President and of the Secretary of said corporation to said foregoing certificate are in the handwriting of the said First Vice-President and Secretary of said corporation respectively, and that the seal affixed to said certificate is the common or corporate seal of said corporation and that his act of sealing, executing, acknowledging and delivering the said certificate was duly authorized by the board of directors and stockholders of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year aforesaid.

ELIZABETH JONES,
Notary Public
New York County No. 3
Nassau County
Expires March 30, 1935



CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF
AMERICAN I. G. CHEMICAL CORPORATION

We, the undersigned, WILFRID GREIF, First Vice-President, and WILLIAM H. VOM RATH, Secretary, of AMERICAN I. G. CHEMICAL CORPORATION, a corporation of the State of Delaware, do hereby certify that an amendment to the certificate of incorporation, as amended, of said AMERICAN I. G. CHEMICAL CORPORATION striking out Subdivision or Subparagraph (b) of Article "NINTH" thereof reading as follows:

"(b) Subject to the provisions of this Certificate of Incorporation, and the laws of the State of Delaware, the corporation may use and apply its surplus or accumulated profits, not otherwise by law or by the provisions of this Certificate of Incorporation required to be reserved, to the purchase or acquisition of shares of its own stock of any class or series, from time to time, to such extent and in such manner and upon such terms as the Board of Directors shall determine; and neither the stock so purchased or acquired, nor any of its own stock taken in payment or satisfaction of any debt due to the corporation, shall be regarded as profits for the purpose of declaration or payment of dividends, unless otherwise determined by a majority of the Board of Directors. Shares of its own stock belonging to the corporation shall not be voted upon, directly or indirectly."

and substituting in lieu thereof a new Subdivision or Subparagraph (b) of said Article "NINTH" to read as follows:

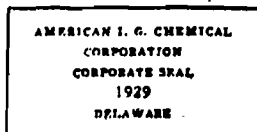
"(b) Subject to the provisions of this Certificate of Incorporation, and the laws of the State of Delaware, the corporation may use and apply its funds or property to the purchase or acquisition of shares of its own stock of any class or series, from time to time, to such extent and in such manner and upon such terms as the board of directors shall determine. Shares of its own stock belonging to the corporation shall not be voted upon, directly or indirectly."

has been duly adopted in accordance with the provisions of Section 26 of the General Corporation Law of the State of Delaware, and that the capital of said corporation will not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of said AMERICAN I. G. CHEMICAL CORPORATION this 28th day of March, 1935.

WILFRID GREIF,
First Vice-President.

WILLIAM H. VOM RATH,
Secretary.

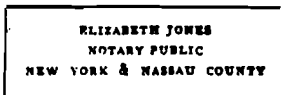


STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

BE IT REMEMBERED that on the 28th day of March, A. D. 1935, personally came before me Elizabeth Jones, a notary public in and for the State and County aforesaid, WILFRID GREIF, First Vice-President of AMERICAN I. G. CHEMICAL CORPORATION, a corporation of the State of Delaware, the corporation described in and which executed the foregoing certificate, known to me personally to be such, and that he, the said Wilfrid Greif, as such First Vice-President, duly executed said certificate before me and acknowledged the said certificate to be his act and deed and the act and deed of said corporation; that the signatures of said First Vice-President and of the Secretary of said corporation to said foregoing certificate are in the handwriting of the said First Vice-President and Secretary of said corporation respectively, and that the seal affixed to said certificate is the common or corporate seal of said corporation and that his act of sealing, executing, acknowledging and delivering the said certificate was duly authorized by the board of directors and stockholders of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year aforesaid.

ELIZABETH JONES,
Notary Public,
New York County No. 3
Nassau County,
Expires March 30, 1935.



CERTIFICATE OF OWNERSHIP
OF
AMERICAN I. G. CHEMICAL CORPORATION
MERGING
GENERAL ANILINE & FILM CORPORATION
INTO
AMERICAN I. G. CHEMICAL CORPORATION
(Assuming the name of General Aniline & Film Corporation)
Pursuant to Section 59A of the General Corporation Law

AMERICAN I. G. CHEMICAL CORPORATION, acting under and pursuant to the provisions of Section 59A of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY as follows:

1. American I. G. Chemical Corporation is a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware, the Certificate of Incorporation of which corporation was filed in the office of the Secretary of State of the State of Delaware on the 26th day of April, 1929. The principal place of business of said corporation in the State of Delaware is located in New Castle County.

2. This corporation owns all of the stock of General Aniline & Film Corporation, a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware, the Certificate of Incorporation of which corporation was filed in the office of the Secretary of State of the State of Delaware on

the 5th day of June, 1924 under the name of "Grasselli Dyestuff Corporation" and the name of which corporation was changed to "General Aniline Works, Inc." by Certificate of Amendment filed in the office of the Secretary of State of the State of Delaware on the 27th day of February, 1929, and was further changed to "General Aniline & Film Corporation" by Certificate of Amendment filed in the office of the Secretary of State of the State of Delaware on the 30th day of October, 1939. The principal place of business of General Aniline & Film Corporation in the State of Delaware is located in New Castle County.

3. The following Resolution of Merger was duly adopted by the Board of Directors of American I. G. Chemical Corporation at a meeting of the said Board duly called and held on the 30th day of October, 1939, and is now in full force and effect:

WHEREAS, this corporation now owns all the stock of General Aniline & Film Corporation, a corporation organized and existing under the laws of the State of Delaware; and

WHEREAS, this corporation desires to merge such other corporation and to assume all of its obligations and further desires to relinquish its corporate name and assume in place thereof the name of the merged corporation;

Now, THEREFORE, be it

RESOLVED, that this corporation merge General Aniline & Film Corporation and assume all of its obligations; and

FURTHER RESOLVED, that the President or a Vice President and the Secretary or Treasurer of this corporation be and they hereby are authorized and directed to make and execute a Certificate of Ownership in the name and under the corporate seal of this corporation, setting forth a copy of this resolution to merge said General Aniline & Film Corporation and to assume all of its obligations and the date of the adoption thereof, and to file the said Certificate in the office of the Secretary of State of the State of Delaware, and to record a certified copy of said

certificate in the office of the Recorder of Deeds of New Castle County, Delaware, the county in which the principal place of business of this corporation and the principal place of business of said General Aniline & Film Corporation are located; and

FURTHER RESOLVED, that the proper officers of this corporation be and they hereby are authorized and directed to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in any way requisite or proper for the full and complete accomplishment of the aforesaid merger; and

FURTHER RESOLVED, that this corporation relinquish its corporate name and assume in place thereof the name of the merged corporation, namely, General Aniline & Film Corporation.

IN WITNESS WHEREOF, this Certificate has been signed in the name of American I. G. Chemical Corporation and under its corporate seal by D. A. Schmitz, its President, and W. H. vom Rath, its Secretary, this 30th day of October, 1939.

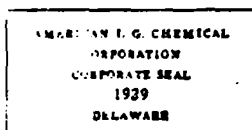
AMERICAN I. G. CHEMICAL CORPORATION,

By D. A. SCHMITZ,

President.

W. H. VOM RATH,

Secretary.



STATE OF NEW YORK, }
COUNTY OF NEW YORK, } ss.:

BE IT REMEMBERED, that on this 30th day of October, 1939, personally came before me, Charles R. Maxwell, Jr., a Notary Public in and for the County and State aforesaid, D. A. SCHMITZ, President of AMERICAN I. G. CHEMICAL CORPORATION, a corporation of the State of Delaware, the corporation described in and which executed the foregoing Certificate, known to me personally to be such, and he, the said D. A. SCHMITZ, as such President, duly executed said Certificate before me and acknowledged the said Certificate to be his act and deed and the act and deed of said corporation; that the signatures of the said President and of the Secretary of said corporation to said foregoing Certificate are in the handwriting of the said President and Secretary of said corporation respectively, and that the seal affixed to said Certificate is the common or corporate seal of said corporation, duly affixed by its authority, and that his act of sealing, executing, acknowledging and delivering the said Certificate was duly authorized by the Board of Directors of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

CHARLES R. MAXWELL, JR.
Notary Public

CHARLES R. MAXWELL, JR.
Notary Public, New York County
N. Y. Co. Clk's No. 303, Reg. No. 1-M-322
Commission Expires March 30, 1941.

CHARLES R. MAXWELL, JR.
NOTARY PUBLIC
NEW YORK COUNTY

THIS AGREEMENT OF MERGER, dated as of the 17th day of November, 1939, between **GENERAL ANILINE & FILM CORPORATION**, a corporation organized and existing under the laws of the State of Delaware, First Party, and **AGFA ANSCO CORPORATION**, a corporation organized and existing under the laws of the State of Delaware, Second Party (said two corporations being hereinafter sometimes collectively referred to as the "Constituent Corporations"), **WITNESSES** as follows:

ARTICLE I.

Representations.

Each of the Constituent Corporations represents and warrants to the other the following facts and details with respect to its organization, incorporation and authorized and outstanding shares as of the date hereof:

GENERAL ANILINE & FILM CORPORATION:

General Aniline & Film Corporation is a corporation duly incorporated, organized and existing under the laws of the State of Delaware, having been incorporated on April 26, 1929, under the provisions of the General Corporation Law of the State of Delaware under the name American I. G. Chemical Corporation. The authorized and the outstanding capital stock of General Aniline & Film Corporation is as follows:

	Number of Shares Authorized	Number of Shares Outstanding
Common A Stock, no par value	3,000,000	500,938
Common B Stock, par value \$1.00 per share.....	3,000,000	3,000,000

AGFA ANSCO CORPORATION:

Agfa Ansco Corporation is a corporation duly incorporated, organized and existing under the laws of the State of Delaware,

having been incorporated on March 14, 1939, under the provisions of the General Corporation Law of the State of Delaware. The authorized and the outstanding capital stock of Agfa Ansco Corporation is as follows:

	Number of Shares Authorized	Number of Shares Outstanding
4½% Cumulative Preferred Stock, par value \$100 per share	80,000	50,000
Common Stock, par value \$1.00 per share.....	480,000	480,000

General Aniline & Film Corporation represents that all of such 50,000 outstanding shares of 4½% Cumulative Preferred Stock and 393,712 shares of such 480,000 outstanding shares of Common Stock of Agfa Ansco Corporation are owned by General Aniline & Film Corporation.

ARTICLE II.

Provisions for Merger.

General Aniline & Film Corporation and Agfa Ansco Corporation, the Constituent Corporations, do hereby agree, each with the other, in consideration of the premises and the covenants and agreements herein to be performed, to merge, pursuant to Section 59 of the General Corporation Law of the State of Delaware, said Constituent Corporations into a single corporation which shall not be a new corporation but which shall be General Aniline & Film Corporation, one of the Constituent Corporations, (hereinafter sometimes called "the Surviving Corporation"), and do hereby merge as aforesaid, and do hereby agree, prescribe and state that the terms and conditions of said merger, the mode of carrying the same into effect and the manner of converting the shares of Agfa Ansco Corporation into shares of the Surviving Corporation, the issued shares of which are not to be changed or converted as a result of such merger, shall be as hereinafter set

forth and that the certificate of incorporation of the Surviving Corporation, as amended (being the certificate of incorporation of General Aniline & Film Corporation, as amended) and the provisions contained therein shall, upon said merger and consolidation becoming effective, be further amended and be deemed to be further amended to the extent and in the respects hereinafter set forth.

ARTICLE III.

Provisions Affecting Certificate of Incorporation of the Surviving Corporation.

Articles FIRST, SECOND, THIRD, FOURTH, FIFTH, SEVENTH, EIGHTH and NINTH, respectively, of the certificate of incorporation of General Aniline & Film Corporation, as amended, shall, upon said merger becoming effective, be further amended, and be deemed to be further amended, to such extent as may be necessary, to read as set forth in subdivisions A, B, C, D, E, F, G and H, respectively, of this Article III (the term "the corporation" as used in said subdivisions referring to General Aniline & Film Corporation, the Surviving Corporation).

Subdivision A.

FIRST: The name of the corporation is GENERAL ANILINE & FILM CORPORATION.

Subdivision B.

SECOND: The principal office or place of business of the corporation in the State of Delaware is located at No. 100 West 10th Street, in the City of Wilmington, County of New Castle. The name and address of its resident agent is The Corporation Trust Company, No. 100 West 10th Street, Wilmington, Delaware.

Subdivision C.

THIRD: The nature of the business of the corporation and the objects and purposes to be transacted, promoted or carried on by it are as follows:

(a) To engage in the business of purchasing, manufacturing, compounding, refining, distributing, selling, importing, exporting, exploiting and using, and to purchase, manufacture, compound, refine, distill, treat, prepare, analyze, synthesize, produce and in every way deal in and with, chemicals of every kind, chemical materials, substances and products, including acids, alkalis and salts, their compounds and derivatives, and also derivatives, materials, products, substances and combinations produced or manufactured therefrom, including solids, liquids and gases of all kinds; to engage in the separation or reduction and treatment of solids, liquids, and gases into their constituents; to produce and utilize and deal in and with chemical combinations of all kinds.

(b) To engage in the business of purchasing, manufacturing, distributing, selling, importing, exporting, using and generally dealing in and to purchase, manufacture, distribute, sell, import, export, use and generally deal in cameras of all kinds and for all uses and all parts thereof, raw cinematographic films, photographic, photostatic, contact printing and sensitized papers, films and plates, mounting cards and frames, developing materials, tools, appliances and chemicals, and all other tools, appliances, devices, equipment, chemicals and supplies necessary, appropriate or incidental to the taking, developing and printing of photographs, pictures, photostats, prints and other graphic reproductions and to take, develop, print and generally deal in photographs, pictures, photostats, prints and other graphic reproductions.

(c) To construct, erect, acquire, lease, hire, sell, dispose of, operate and use plants, machinery, equipment, apparatus and appliances of any and every kind capable of being used in or in connection with the business of the corporation and to acquire, own, use, develop, exploit, dispose of and deal in processes, inventions, apparatus and machinery of any and every kind necessary or useful in connection with its business.

(d) To manufacture, produce, buy, acquire, sell, dispose of, import, export, trade in and generally deal in and with goods, wares, merchandise, commodities, articles and property of any and every class and description, in so far as may be permitted by the laws of the State of Delaware or of any other state, territory or country in which the corporation may do business; to engage in any business, whether manufacturing or otherwise, which the corporation may deem advantageous or useful in connection with any or all of the foregoing.

(e) To foster and finance the development of chemical and allied industries in the United States of America and elsewhere.

(f) To subscribe for, or cause to be subscribed for, purchase or otherwise acquire, own, hold, sell, negotiate, assign, deal in, exchange, transfer, mortgage, pledge or otherwise dispose of shares of stock, scrip, bonds, coupons, mortgages, debentures, debenture stock, securities, notes, trade acceptances, drafts and evidences of indebtedness issued or created by any corporation, joint stock company or association, whether public, quasi-public, private or municipal, or by any domestic or foreign state, government or governmental authority or any political or administrative subdivision or department thereof and any and all trust, participation or other certificates of, or receipts evidencing interest in, any such shares, instruments or securities, and, while the owner thereof, to possess and to exercise with respect thereto all the rights, powers and privileges of ownership, including the right to vote thereon; to guarantee payment of dividends on any shares of stock of any corporation, joint stock company or association in which the corporation has or may at any time have an interest, and to become surety with respect to, endorse or otherwise guarantee the payment of the principal of or the interest on any scrip, bonds, coupons, mortgages, debentures, debenture stock, securities, notes, drafts, bills of exchange or evidence of indebtedness issued or created by any such corporation, joint stock company or association.

(g) To make and enter into any and all arrangements with any domestic or foreign governmental or municipal authority

which may be deemed to be for the benefit of the corporation; to obtain from any such authority or otherwise to acquire, by purchase, lease, assignment or in any manner, any powers, rights, privileges, immunities, franchises and concessions which the corporation may deem desirable; to exercise and exploit the same; and to undertake and prosecute any business dependent thereon.

(h) To obtain, purchase, or otherwise acquire and to hold, apply for, prosecute, own, use, sell, assign or otherwise dispose of, to grant licenses in respect of and otherwise exploit and turn to account any and all inventions and improvements and any letters patent or applications therefor, including design patents of the United States or other countries and to obtain and hold licenses or other patent rights; to devise, adopt, use, own, purchase or otherwise acquire and to sell, assign or otherwise dispose of any and all trade marks, trade names and trade mark rights and registrations or applications for registrations therefor in the United States or any other countries, to apply for and secure registrations for trade marks in the United States and in other countries, and when purchasing, acquiring or otherwise obtaining any such trade marks, trade names or trade mark rights to take over and acquire the good will, assets and business in connection with which said trade marks, trade names or trade mark rights are or have been used; also any and all copyright processes, formulae, trade secrets and devices of all kinds, and to use, exercise and develop the same.

(i) To purchase or otherwise acquire the whole or any part of the property, assets, business, good will and rights, and to undertake and assume the whole or any part of the liabilities and obligations, of any person, firm, association or corporation, and to pay for the same in cash, in the stock or shares of stock of any class of the corporation, or the bonds, notes or other obligations thereof, or otherwise; to hold or in any manner to dispose of the whole or any part of the property or assets so acquired; to conduct the whole or any part of any business so acquired, and to exercise all the powers necessary or convenient in and about the conduct, management and carrying on of such business.

(j) To borrow money for any of the purposes of the corporation, and to issue bonds, debentures, debenture stock, notes and other obligations therefor, and to secure the same by pledge or mortgage of the whole or any part of the property of the corporation, either real or personal, or to issue bonds, debentures, debenture stock, notes or other obligations without any such security.

(k) To enter into, make, perform and carry out contracts of every kind for any lawful purpose, without limit as to amount, with any person, firm, association, corporation or public, quasi-public or municipal body politic, and with the government of any state, territory or country, or any political subdivision or department thereof.

(l) To draw, make, accept, endorse, discount, execute and issue promissory notes, drafts, warrants, and any and all kinds of obligations and certificates and negotiable or transferable instruments, necessary or incidental to the conduct of the business and affairs of the corporation.

(m) To buy, sell, manufacture or cause to be manufactured, produce and generally to traffic and deal in and contract for the sale, purchase, supply and letting on hire or otherwise of any and all fixtures, furniture, implements, instruments, tools, machinery, supplies, signs, labels, boxes, advertising matter of every kind, nature and description, and other personal property and things, and to purchase, lease or otherwise acquire, erect, exchange, sell, let or otherwise dispose of, own, maintain, develop, equip, improve and repair any and all improved or unimproved real estate or property, plants, depots, warehouses, supply stations, stores, buildings and other places.

(n) To issue shares of stock (of any class) bonds, debentures, debenture stock, notes and other obligations of this corporation for cash, labor done or property, real or personal, or leases thereof, or for any combination of any of the foregoing, or in exchange for the stock, debentures, debenture stock, bonds,

securities or obligations of any person, firm, association, corporation or other organization.

(o) To acquire by purchase, lease, or otherwise, and to own, hold, sell, mortgage and encumber both improved and unimproved real estate wherever situate; to survey, subdivide, plat, colonize and improve the same for purposes of sale or otherwise, and to construct and erect thereon warehouses, factories, works, plants, stores, mills, hotels, houses and other buildings.

(p) In general, to carry on any business not contrary to the laws of Delaware and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed thereunder and to do any and all of the acts and things herein provided for to the same extent as natural persons could do, and in any part of the world, as principal, factor, agent, contractor or otherwise, either alone or in conjunction with one or more persons, entities, partnerships, associations, and/or corporations; to establish and maintain offices and agencies within and anywhere outside of the State of Delaware; and to exercise all or any of its corporate powers or rights in the State of Delaware and in any and all other States, Territories, Districts, Colonies, Possessions or Dependencies of the United States of America and in any foreign countries.

(q) To do everything necessary, proper, advisable or convenient for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers herein provided for and to do every other act and thing incidental thereto in connection therewith, provided the same be not forbidden by the laws of Delaware.

The foregoing clauses shall be construed as powers as well as objects and purposes, and the matters expressed in each clause shall, except if otherwise expressly provided, be in no wise limited by reference to or inference from the terms of any other clause, but shall be regarded as independent objects, purposes and powers; and the enumeration of specific objects, purposes and powers shall not be con-

strued to limit or restrict in any manner the general powers of the Corporation or the meaning of general terms; nor shall the expression of one thing be deemed to exclude another not expressed, although it be of like nature.

The Corporation shall be authorized to exercise and enjoy all other powers, rights and privileges granted by an Act of the General Assembly of the State of Delaware entitled "An Act providing a General Corporation Law", approved March 10, 1899, to corporations of this character and all the powers conferred upon such corporations by any other laws of the State of Delaware, in force from time to time, so far as not in conflict herewith, or which may be conferred by all acts heretofore or hereafter amendatory of or supplemental to said Act or said laws, and the enumeration of certain powers as herein specified is not intended as exclusive of, or as a waiver of, any of the powers, rights or privileges granted or conferred by said Act or said laws now or hereafter in force; provided, however, that the Corporation shall not in any State, Territory, District, Possession or Country carry on any business or exercise any powers not permitted to it under the laws thereof.

Subdivision D.

FOURTH: The total number of shares of stock that may be issued by the corporation is Six Million (6,000,000), all of which are to be Common Shares and of which Three Million (3,000,000) are to be Common A Shares, each without par value and of which Three Million (3,000,000) are to be Common B Shares each of the par value of one dollar (\$1.00).

The amount of capital with which the corporation shall commence business is One thousand Dollars (\$1,000).

The designations, preferences and relative, participating, optional or other special rights of each class of stock of the corporation and the qualifications, limitations or restrictions thereof, are as follows:

A. Each shareholder of Common A and Common B Shares of stock shall be entitled to one vote for each share of which he is the record owner;

B. Dividends on Common A shares and Common B shares shall be declared and paid on the following basis:

For each one dollar (\$1.00) or fraction thereof, of dividends, declared and paid on each share of Common A stock, dividends of ten (10) cents, or fraction thereof, shall be declared and paid on each share of Common B Stock, and no dividend shall be declared and paid on either Common A or Common B Stock, unless at the same time dividends as herein provided are declared and paid on both Common A and Common B Stock.

C. In case of liquidation or dissolution of the corporation, each holder of record of Common A stock shall first receive not in excess of Seventy-five Dollars (\$75.00) per share of the funds and property of the corporation available for distribution. The remainder shall be distributed in equal parts, per share, to the holders of the outstanding Common A and Common B Stock.

D. Common A Shares may be issued at any time up to and including December 31, 1931, to holders for value of an issue of 5½% convertible debentures of the corporation (not in excess of \$30,000,000) who may desire to surrender the same and convert the same into Common A shares, on the basis of one \$1,000 debenture for 17 shares of Common A Shares, and from

Jan. 1, 1932 until Dec. 31, 1932 into 16 Common A Shares.
 Jan. 1, 1933 until Dec. 31, 1933 into 15 Common A Shares.
 Jan. 1, 1934 until Dec. 31, 1934 into 14 Common A Shares.
 Jan. 1, 1935 until Dec. 31, 1935 into 13 Common A Shares.
 Jan. 1, 1936 until Dec. 31, 1936 into 12 Common A Shares.
 Jan. 1, 1937 until Dec. 31, 1937 into 11 Common A Shares.
 Jan. 1, 1938 until Dec. 31, 1938 into 10 Common A Shares.

E. During the term of the conversion privilege the necessary number of shares of Common A stock shall be held in the treasury of the corporation to effectuate the right of conversion above stated. The Corporation shall have the right to grant an option or options

for the purchase from it of shares of Common A stock from time to time on or prior to Jan. 1, 1935, the aggregate of any such purchase or purchases not to exceed 1,000,000 shares for not less than the conversion price of each \$1,000 of an issue of 5½% convertible debentures prevailing at the time of such purchase or purchases as provided in Paragraph Fourth, subdivision D above set forth. The remaining shares of Common A stock may be issued from time to time upon such terms and conditions and for such legal consideration as the Board of Directors may, from time to time, determine, and neither the holders of Common A stock nor the holders of Common B stock shall have any preemptive rights to subscribe for such remaining shares of Common A stock.

F. Common A Shares may be redeemable in whole, or from time to time, in part, at the market price for such Common A Shares as shown by the average quotations for such shares on any recognized stock exchange during the thirty days next preceding such call for redemption but in no event at a less price than \$10 per share in excess of the last price at which any guaranteed 5½% Convertible Debenture of the Corporation issued under the Trust Agreement, dated May 1, 1929, shall have been converted into Common A shares, either at the option of the Corporation or by operation of a sinking fund, and may be exchangeable for or convertible into Stock of any other Class or Classes on such terms, as may be fixed by the Board of Directors not inconsistent with the provisions of this Certificate of Incorporation.

G. Anything in this Certificate of Incorporation to the contrary notwithstanding, neither the increase of the number of Common A Shares, nor the increase of the number of Common B Shares, authorized by this Certificate to be issued (namely 3,000,000 shares of each) shall be authorized hereafter without a corresponding authorization of increase of the other. In the event of the increase of the authorized amount of Common B Shares, each shareholder of Common B Shares shall have the option to acquire the same number of additional shares in the ratio which the percentage of his shareholdings of the total issued and outstanding Common B Shares bears to the number of additional shares authorized to be issued, at One Dollar (\$1) per share; provided at no time

shall there be issued Common B shares (in addition to the original 3,000,000 shares) in excess of the number of Common A shares outstanding at the time of such proposed new issue; the Company being empowered after 3,000,000 Common A shares and 3,000,000 Common B shares have been issued, to issue additional Common B shares, if however, at the same time the same number of Common A shares are issued. The Board of Directors is expressly authorized to effectuate this provision.

Subdivision E.

FIFTH (a): The vote of fifty-one per cent. of all of the shares, entitled to vote, shall be necessary and sufficient for any amendment of this Certificate of Incorporation, any increase or decrease of capitalization for any other corporate action by stockholders, except that no change affecting Common A shares shall be made against the adverse vote of twenty-five per cent. of the number of issued and outstanding Common A shares.

(b) Shareholders to the extent of fifty-one per cent. of all of the shares entitled to vote, shall be present or represented by proxy at any shareholders meeting, regular or special, to constitute a quorum for the transaction of any business.

Subdivision F.

SEVENTH: The corporation is to have perpetual existence.

Subdivision G.

EIGHTH: The private property of the stockholders of the corporation shall not be subject to the payment of corporate debts to any extent whatever.

Subdivision H.

NINTH: The following provisions are adopted for the regulation of the business and for the conduct of the affairs of the corporation and for further defining, limiting and regulating the powers of the corporation, its directors and stockholders:

(a) The corporation may have one or more offices and may conduct its business, in whole or in part, not only within but without the State of Delaware. The books of the corporation may be kept outside the State of Delaware at such place or places as may, from time to time, be designated by the Board of Directors, except that either the original or a duplicate stock ledger shall be kept at the principal office of the corporation within the said State.

(b) Subject to the provisions of this Certificate of Incorporation, and the laws of the State of Delaware, the corporation may use and apply its funds or property to the purchase or acquisition of shares of its own stock of any class or series, from time to time, to such extent and in such manner and upon such terms as the board of directors shall determine. Shares of its own stock belonging to the corporation shall not be voted upon, directly or indirectly.

(c) The number of directors of the corporation shall be fixed by the By-Laws, and may be altered, from time to time, by amendment of the By-Laws, subject to the provisions of this Certificate of Incorporation and to the provisions of the laws of the State of Delaware existing at the time. An increase of the number of directors shall be deemed to create vacancies, in the Board, to be filled in the manner herein or in the By-Laws provided. Any director or any officer elected or appointed by the stockholders or by the Board of Directors may be removed at any time, subject to the provisions of this Certificate of Incorporation, in such manner as shall be provided in the By-Laws. Directors need not be stockholders.

(d) Subject to the provisions of the By-Laws the Board of Directors shall have power to make, alter, and repeal the By-Laws, and may provide therein for the appointment of an Executive Committee of two or more members from their own number, and of such other committees as the Board may deem advisable, to exercise, during the intervals between meetings of the Board, all or any of the powers of the Board which may lawfully be delegated, including the power to authorize the Seal of the Corporation to be affixed to all papers which may require it.

The By-Laws may be altered or repealed at any time by the stockholders.

(e) The business of the corporation shall be managed by its Board of Directors. The Board of Directors shall have power to exercise all the powers of the Corporation, without any action of or by the stockholders, except as otherwise provided by the Statutes of the State of Delaware or by this Certificate of Incorporation, or by the By-Laws.

(f) Except as in this Certificate of Incorporation otherwise provided, or as provided by Statute to the contrary, the Board of Directors may, from time to time by vote of a majority of the whole number of directors then in office, without the assent or other action of the stockholders borrow or raise money, without limit as to amount, for any of the purposes of the corporation, and may authorize the issue of bonds, debentures, notes or other obligations of the corporation of any nature or in any manner for money so borrowed, and may authorize the creation of mortgages upon, or the pledge, conveyance or assignment of, the whole or any part of the property of the corporation, real or personal, whether at the time owned or acquired thereafter, to secure the payment of such bonds, debentures, notes or other obligations and the interest thereon and may authorize the sale or pledge or other disposition of such bonds, debentures, notes or other obligations of the corporation for its corporate purposes.

(g) Subject to the provisions of this Certificate of Incorporation, to any provision of law and to the provisions of the By-Laws, the Board of Directors shall have power to determine whether any, and (if any) what part, of the net assets in excess of the capital of the corporation computed in accordance with the provisions of the statutes of the State of Delaware, or, in case there shall be no excess, what part of the net profits for the fiscal year then current and/or the preceding fiscal year, subject however to the provisions of the statutes of the State of Delaware, shall be declared and paid out as dividends to the stockholders, and to direct and determine the use and disposition of any such profits or assets.

(h) The Board of Directors shall have power, in accordance with the By-Laws, in its discretion, to fix, determine and vary from time to time the amount to be maintained as surplus, and the amount or amounts to be set apart as working capital.

(i) The Board of Directors in accordance with the By-Laws, from time to time, shall determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books and papers of the corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of the corporation, except as expressly conferred by the laws of the State of Delaware, or authorized by resolution of the Board of Directors.

(j) In the absence of fraud, no contract or other transaction between the corporation and any other corporation, and no act of the corporation, shall in any way be affected or invalidated by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation; and, in the absence of fraud, any director, individually, or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the corporation; *Provided*, in any case, that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof; and any director of the corporation who is also a director or officer of any such other corporation, or who is also interested, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the corporation which shall authorize any such contract, act or transaction and may vote thereat to authorize any such contract, act or transaction, with like force and effect as if he were not such director or officer of such other corporation, or not so interested.

Any contract, act or transaction of the corporation or of the directors, may be ratified by a vote of fifty-one per cent. of the shares having voting powers at any meeting of shareholders, or at any special meeting called for such purpose, and such ratifica-

tion shall, so far as permitted by law and by this Certificate of Incorporation, be as valid and as binding as though ratified by every stockholder of the corporation.

(k) The corporation may, at any meeting of its Board of Directors, sell, convey, assign, transfer, lease, exchange or otherwise dispose of its properties and assets (including its good will and its corporate franchises), as an entirety or substantially as an entirety, upon such terms and conditions and for such consideration (whether cash or the stocks or bonds of any corporation or corporations, or other property) as its Board of Directors may deem expedient and for the best interests of the corporation, when and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by written consent of the holders of a majority of the voting stock issued and outstanding.

(l) Subject to the provisions of this Certificate of Incorporation and the By-Laws, the corporation reserves the right to amend, alter, change, add to or repeal any provision contained in this Certificate of Incorporation, in the manner prescribed by law; and all rights herein conferred on officers, directors and stockholders are granted subject to this reservation.

(m) Subject to the provisions of this Certificate of Incorporation, the corporation may issue its shares without par value, of any class or series, from time to time, and any securities convertible into shares without par value, of any class or series, for such consideration as may be fixed, from time to time, by the Board of Directors, which is hereby expressly authorized to fix the same, in its absolute and uncontrolled discretion.

ARTICLE IV.**By-Laws, Directors and Officers.**

The by-laws of General Aniline & Film Corporation as they shall exist at the time said merger becomes effective shall be and remain the by-laws of the Surviving Corporation until the same shall be altered, amended or repealed, according to the provisions thereof, either by the board of directors or by the stockholders of the Surviving Corporation.

The directors of the Surviving Corporation shall be, until changes shall be effected in accordance with the by-laws thereof, as follows:

<i>Name</i>	<i>Address</i>
H. Aickelin	435 Hudson Street, New York, N. Y.
Walter H. Bennett	51 Chambers Street, New York, N. Y.
William C. Breed	15 Broad Street, New York, N. Y.
E. M. Clark	Bellhaven, Greenwich, Conn.
Edsel B. Ford	Dearborn, Michigan
R. Hutz	435 Hudson Street, New York, N. Y.
William P. Pickhardt	230 Park Avenue, New York, N. Y.
D. A. Schmitz	230 Park Avenue, New York, N. Y.
Ernst Schwarz	Binghamton, New York
William H. vom Rath	230 Park Avenue, New York, N. Y.
Dr. William E. Weiss	Sterling Products, Inc., Wheeling, W. Va.
Hugh S. Williamson	230 Park Avenue, New York, N. Y.

All persons who, at the time said merger becomes effective, shall be officers of General Aniline & Film Corporation, shall be and remain like officers of the Surviving Corporation, subject to the provisions of its by-laws.

ARTICLE V.**Manner of Converting Shares of Agfa Ansco Corporation Into Shares of General Aniline & Film Corporation.**

The outstanding shares of General Aniline & Film Corporation are not to be changed or converted as a result of said merger and, forthwith upon the merger becoming effective, all shares of Common A stock and Common B stock of General Aniline & Film Corporation heretofore authorized (whether issued or unissued) shall be and be deemed to be shares of Common A stock and Common B stock, respectively, of the Surviving Corporation and all shares of stock of General Aniline & Film Corporation outstanding at the time the merger becomes effective shall remain outstanding, shall be and be deemed to be full-paid stock and shall not be liable to any further calls or assessments thereon, and shall be subject to all the provisions of this Agreement.

The manner of converting the shares of common stock of Agfa Ansco Corporation into shares of stock of the Surviving Corporation shall be as follows:

(a) Upon the merger becoming effective, the 50,000 shares of $4\frac{1}{2}\%$ cumulative preferred stock of Agfa Ansco Corporation owned by General Aniline & Film Corporation, being all of such $4\frac{1}{2}\%$ cumulative preferred stock outstanding, and all of the common stock of Agfa Ansco Corporation owned by General Aniline & Film Corporation at the time the merger becomes effective, shall be completely extinguished, the certificates therefor shall be cancelled, and no shares of the Surviving Corporation shall be issued in respect thereof.

(b) Upon the merger becoming effective, the outstanding shares of common stock of Agfa Ansco Corporation not then owned by General Aniline & Film Corporation, and all rights in respect thereof, shall be converted into shares of Common A stock of the Surviving Corporation on the basis of one share of Com-

mon A stock of the Surviving Corporation for each three shares of common stock of Agfa Anasco Corporation; and each holder of an outstanding certificate or certificates theretofore representing common stock of Agfa Anasco Corporation (including any outstanding certificate or certificates [each of which is herein referred to as a "certificate of a predecessor"]) issued by any corporation predecessor to Agfa Anasco Corporation in respect of which certificates the holder thereof would have been entitled, upon the surrender thereof to Agfa Anasco Corporation immediately prior to the merger becoming effective, to receive a certificate or certificates representing common stock of Agfa Anasco Corporation) shall surrender the same to the Surviving Corporation in exchange for a certificate or certificates representing the number of shares of Common A stock of the Surviving Corporation into which the shares of common stock of Agfa Anasco Corporation theretofore represented by the certificate or certificates so surrendered shall have been converted as aforesaid. Until so surrendered for a certificate or certificates for Common A stock of the Surviving Corporation, each outstanding certificate which, prior to the merger, represented common stock of Agfa Anasco Corporation shall be deemed, for all corporate purposes other than the payment of dividends, to evidence the ownership of the shares of Common A stock of the Surviving Corporation into which the shares of Agfa Anasco Corporation which, prior to the merger, were represented thereby have been so converted. Unless and until any such outstanding certificate shall be so surrendered, no dividend payable to holders of record of Common A stock of the Surviving Corporation as of any date subsequent to the merger becoming effective shall be paid to the holder of such outstanding certificate, but upon surrender of such outstanding certificate there shall be paid to the record holder of the certificate for Common A stock of the Surviving Corporation issued therefor, the amount of dividends which have become payable with respect to the Common A stock of the Surviving Corporation represented by the certificate issued upon such surrender, together with, in respect of any certificate of a predecessor so surrendered, an amount equal to any dividends which would have been payable by Agfa Anasco Corporation to the record holder of the certificate or certificates for

common stock of Agfa Ansco Corporation which would have been issued upon the surrender, immediately prior to the merger becoming effective, of such certificate of a predecessor. If in any case, the number of shares of Common A stock of the Surviving Corporation issuable upon the surrender of a certificate or certificates which, prior to the merger, represented common stock of Agfa Ansco Corporation shall include a fraction of a share, then, in lieu of issuing such fraction of a share, the Surviving Corporation shall pay to the person entitled thereto a sum in cash which shall be determined by multiplying the sum of \$90 by such fraction.

Forthwith upon the merger becoming effective, the Transfer Agent of the common stock of Agfa Ansco Corporation shall prepare and certify a complete and correct list of the names and post office addresses of the holders of common stock of such corporation of record on such effective date, with the number of shares held by each, and shall send such certified list to "GENERAL ANILINE & FILM CORPORATION, 230 Park Avenue, New York, N. Y." For the purposes of the foregoing subdivisions (a) and (b) of this Article V the holders of record of shares of common stock of Agfa Ansco Corporation on such effective date, as certified on such list, shall be deemed to be the holders of record of common stock of said Agfa Ansco Corporation as of such date.

As soon as practicable after the merger shall have become effective the Surviving Corporation shall mail notice of that fact and instructions with respect to the surrender of certificates theretofore representing common stock of Agfa Ansco Corporation for exchange pursuant to the provisions of the foregoing subdivision (b) to the persons (other than General Aniline & Film Corporation) whose names appear on the list referred to above, addressed to them at their respective post office addresses as they appear on such list, and each holder of a certificate theretofore representing common stock of Agfa Ansco Corporation shall promptly surrender the same for exchange pursuant to said instructions.

If any stockholder cannot produce the certificate or certificates theretofore evidencing the ownership of stock of Agfa Ansco Corporation he shall be required to proceed in regard thereto as he would have to do were he under like circumstances applying for the issuance of a new certificate of Agfa Ansco Corporation.

ARTICLE VI.

Miscellaneous Provisions.

(1) This Agreement shall be submitted to the respective stockholders of the Constituent Corporations as provided by law and upon the adoption thereof by votes of the stockholders of each of the Constituent Corporations, required by the General Corporation Law of the State of Delaware, due certification of such action, and the signing, acknowledging, filing and recording thereof, all in accordance with the General Corporation Law of the State of Delaware, and upon the doing of such other acts and things as are required by the General Corporation Law of the State of Delaware, this Agreement shall take effect and be deemed and taken to be the agreement and act of merger of the Constituent Corporations.

(2) When this Agreement shall have been adopted, certified, signed, acknowledged, filed and recorded as required by Section 59 of the General Corporation Law of the State of Delaware, the separate existence of Agfa Ansco Corporation shall cease and said corporation shall be merged, in accordance with the provisions of this Agreement, into General Aniline & Film Corporation, which shall survive such merger and shall continue in existence and shall, without other transfer, succeed to and possess and enjoy all the rights, privileges, powers, franchises and immunities, as well of a public as of a private nature, and be subject to all the restrictions, disabilities, liabilities and duties of each of the Constituent Corporations, and all and singular the rights, privileges, powers, franchises and immunities of each of the Constituent Corporations, and all property, real, personal and mixed, wher-

ever situated, and all debts due to either of said Constituent Corporations on whatever account, as well for stock subscriptions as all other things in action or belonging to either of the Constituent Corporations, shall be vested in the Surviving Corporation; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the respective Constituent Corporations, and the title to any real estate, whether vested by deed or otherwise, under the laws of the State of Delaware or of any of the other states of the United States vested in either of such Constituent Corporations, shall not revert or be in any way impaired by reason of said merger, or the statutes providing therefor; provided that all rights of creditors and all liens upon the property of each of said Constituent Corporations shall be preserved unimpaired, limited to the property affected by such liens at the time of such merger, and all debts, liabilities and duties of the respective Constituent Corporations shall thenceforth attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

(3) If at any time the Surviving Corporation shall deem or be advised that any further assignments or assurances in law or things are necessary or desirable to vest, or to perfect or confirm, of record or otherwise, in the Surviving Corporation the title to any property of Agfa Ansco Corporation acquired or to be acquired by reason of or as a result of the merger provided for by this Agreement, Agfa Ansco Corporation and its proper officers and directors shall and will execute and deliver all such proper deeds, assignments, assurances in law and do all things necessary or proper so to vest, perfect or confirm title to such property in the Surviving Corporation and otherwise to carry out the purpose of this Agreement.

(4) For the convenience of the parties and to facilitate the filing or recording of this Agreement any number of counterparts thereof

may be executed and each such executed counterpart shall be deemed to be an original instrument.

IN WITNESS WHEREOF, General Aniline & Film Corporation, a Delaware corporation, and Agfa Ansco Corporation, a Delaware corporation, the Constituent Corporations and the corporate parties to this Agreement, pursuant to authority duly given by affirmative votes of majorities of their respective boards of directors, have caused this Agreement to be executed by at least a majority of their respective boards of directors, and their respective corporate seals to be hereunto affixed and attested by their respective secretaries or assistant secretaries, as of the day and year first above mentioned.

GENERAL ANILINE & FILM CORPORATION

By **D. A. SCHMITZ**

R. HUTZ

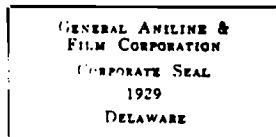
H. AICKELIN

W. E. WEISS

W. H. VOM RATH

H. S. WILLIAMSON

A majority of the directors of
General Aniline & Film
Corporation.



Attest:

W. H. VOM RATH

Secretary

AGFA ANSCO CORPORATION

By ERNST SCHWARZ

W. H. BENNETT

WILLIAM C. BREED

LEOPOLD ECKLER

A majority of the directors of
Agfa Ansco Corporation.



Attest:

J. R. WORCH

Secretary

**Certificate by Secretary of General Aniline
& Film Corporation of adoption by its
stockholders.**

I, W. H. vom RATH, secretary of GENERAL ANILINE & FILM CORPORATION, a corporation of the State of Delaware, hereby certify, as such secretary and under the seal of that corporation, that the agreement of merger to which this certificate is attached (after having been first duly signed by a majority of the directors of said corporation, and by a majority of the directors of AGFA ANSCO CORPORATION, a Delaware corporation, the constituent corporations named in and parties to said agreement, under their respective corporate seals), was duly submitted to the stockholders of said GENERAL ANILINE & FILM CORPORATION at a special meeting thereof, called separately for the purpose of considering and taking action upon said agreement and held after due notice on the 28th day of December, 1939, that more than two-thirds of the total number of shares of the outstanding capital stock of said GENERAL ANILINE & FILM CORPORATION was represented at said meeting, and that at said meeting the votes of stockholders of said GENERAL ANILINE & FILM CORPORATION representing more than two-thirds of the total number of shares of its outstanding capital stock were cast by ballot in favor of the adoption of said agreement, which agreement was thereupon at said meeting duly adopted as the act of the stockholders of said GENERAL ANILINE & FILM CORPORATION.

WITNESS my hand and the seal of GENERAL ANILINE & FILM CORPORATION on this 28th day of December, 1939.

W. H. vom RATH
As Secretary of General Aniline & Film Corporation



Certificate by Secretary of Agfa Ansco Corporation of adoption by its stockholders.

I, J. R. WORCH, secretary of AGFA ANSCO CORPORATION, a corporation of the State of Delaware, hereby certify, as such secretary and under the seal of that corporation, that the agreement of merger to which this certificate is attached (after having been first duly signed by a majority of the directors of said corporation, and by a majority of the directors of GENERAL ANILINE & FILM CORPORATION, a Delaware corporation, the constituent corporations named in and parties to said agreement under their respective corporate seals), was duly submitted to the stockholders of said AGFA ANSCO CORPORATION at a special meeting thereof, called separately for the purpose of considering and taking action upon said agreement and held after due notice on the 28th day of December, 1939, that more than two-thirds of the total number of shares of the outstanding capital stock of said AGFA ANSCO CORPORATION was represented at said meeting, and that at said meeting the votes of stockholders of said AGFA ANSCO CORPORATION representing more than two-thirds of the total number of shares of its outstanding capital stock were cast by ballot in favor of the adoption of said agreement, which agreement was thereupon at said meeting duly adopted as the act of the stockholders of said AGFA ANSCO CORPORATION.

WITNESS my hand and the seal of AGFA ANSCO CORPORATION on this 28th day of December, 1939.

J. R. WORCH
As Secretary of Agfa Ansco Corporation



**Execution by Officers of General Aniline &
Film Corporation and Agfa Ansco Corpo-
ration following Adoption by Stockholders.**

The foregoing Agreement of Merger having been executed by a majority of the directors of each of the constituent corporations therein named and having been adopted separately by the stockholders of each of said constituent corporations, in accordance with the provisions of the General Corporation Law of the State of Delaware, and that fact having been certified on said Agreement of Merger by the secretary of each of said constituent corporations, the president and secretary of each of said constituent corporations do now hereby execute said Agreement of Merger under the corporate seals of their respective corporations, by authority of the directors and stockholders thereof, as the respective act, deed and agreement of each of said corporations, on this 28th day of December, 1939.

GENERAL ANILINE & FILM CORPORATION



By **D. A. SCHMITZ**
President

W. H. VOM RATH
Secretary

Attest:

W. H. VOM RATH
Secretary

AGFA ANSCO CORPORATION



By **ERNST SCHWARZ**
President

J. R. WORCH
Secretary

Attest:

J. R. WORCH
Secretary

**Acknowledgment of Execution by Officers
of General Aniline & Film Corporation.**

STATE OF NEW YORK, }
COUNTY OF NEW YORK, } ss.:

BE IT REMEMBERED that on this 28th day of December, A. D. 1939, personally came before me CHARLES R. MAXWELL, JR., a Notary Public in and for the county and state aforesaid, D. A. SCHMITZ, president of GENERAL ANILINE & FILM CORPORATION, a corporation of the State of Delaware and one of the corporations described in and which executed the foregoing Agreement of Merger, known to me personally to be such, and he, the said D. A. SCHMITZ, as such president, duly executed said Agreement of Merger before me and acknowledged said Agreement of Merger to be the act, deed and agreement of said GENERAL ANILINE & FILM CORPORATION, that the signatures of the said president and the secretary of said corporation to said foregoing Agreement of Merger are in the handwriting of said president and secretary of said GENERAL ANILINE & FILM CORPORATION, and that the seal affixed to said Agreement of Merger is the common corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

CHARLES R. MAXWELL, JR.
Notary Public.

CHARLES R. MAXWELL, JR. NOTARY PUBLIC NEW YORK COUNTY

CHARLES R. MAXWELL, JR.
Notary Public, New York County
N. Y. Co. Clk's No. 303, Reg. No. 1-M-322
Commission Expires March 30, 1941

**Acknowledgment of Execution by Officers
of Agfa Ansco Corporation.**

STATE OF NEW YORK, }
COUNTY OF NEW YORK, } ss.:

BE IT REMEMBERED that on this 28th day of December, A. D. 1939, personally came before me CHARLES R. MAXWELL, JR., a Notary Public in and for the County and state aforesaid, ERNST SCHWARZ, president of AGFA ANSCO CORPORATION, a corporation of the State of Delaware and one of the corporations described in and which executed the foregoing Agreement of Merger, known to me personally to be such, and he, the said ERNST SCHWARZ, as such president, duly executed said Agreement of Merger before me and acknowledged said Agreement of Merger to be the act, deed and agreement of said AGFA ANSCO CORPORATION, that the signatures of the said president and the secretary of said corporation to said foregoing Agreement of Merger are in the handwriting of said president and secretary of said AGFA ANSCO CORPORATION, and that the seal affixed to said Agreement of Merger is the common corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

CHARLES R. MAXWELL, JR.
Notary Public.

CHARLES R. MAXWELL, JR. Notary Public New York County

CHARLES R. MAXWELL, JR.
Notary Public, New York County
N. Y. Co. Clk's No. 303, Reg. No. 1-M-322
Commission Expires March 30, 1941

I, the undersigned, Secretary of GENERAL ANILINE & FILM CORPORATION, do hereby certify that the foregoing is a true and complete copy of the Agreement of Merger between General Aniline & Film Corporation (a Delaware corporation) and Agfa Ansco Corporation (a Delaware corporation).

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 30th day of January, 1940.



W. H. von Rolt
Secretary

CERTIFICATE OF OWNERSHIP
OF
GENERAL ANILINE & FILM CORPORATION
MERGING
OZALID CORPORATION
INTO
GENERAL ANILINE & FILM CORPORATION
Pursuant to Section 59A of the General Corporation Law

GENERAL ANILINE & FILM CORPORATION, acting under and pursuant to the provisions of Section 59A of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY as follows:

1. General Aniline & Film Corporation is a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware. The Certificate of Incorporation of said corporation was filed in the office of the Secretary of State of the State of Delaware on the 26th day of April, 1929, under the name of "American I. G. Chemical Corporation" and the name of said corporation was changed to "General Aniline & Film Corporation" by a Certificate of Ownership, pursuant to Section 59A of the General Corporation Law, filed in the office of the Secretary of State of the State of Delaware on the 31st day of October, 1939. The principal place of business of said corporation in the State of Delaware is located in New Castle County.

2. This corporation owns all of the stock of Ozalid Corporation, a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware. The Certificate of Incorporation of said corporation was filed in the office of the Secretary of State of the State of Delaware on the 31st day of March, 1933, under the name of "Ozalid Company, Inc.," and the name of said corporation was changed to "Ozalid Corporation" by a Certificate of Amendment filed in the office of the Secretary of State of the State of Delaware on the 27th day of May, 1933. The principal place of business of Ozalid Corporation in the State of Delaware is located in New Castle County.

3. The following Resolution of Merger was duly adopted by the Board of Directors of General Aniline & Film Corporation at a meeting of the said Board duly called and held on the 28th day of August, 1940, and is now in full force and effect:

WHEREAS, this corporation now owns all of the stock of Ozalid Corporation, a corporation organized and existing under the laws of the State of Delaware; and

WHEREAS, this corporation desires to merge such other corporation and to assume all of its obligations:

NOW, THEREFORE, be it

RESOLVED, that this corporation merge Ozalid Corporation and assume all of its obligations; and

FURTHER RESOLVED, that the President or a Vice President and the Secretary or Treasurer of this corporation be and they hereby are authorized and directed to make and execute a Certificate of Ownership in the name and under the corporate seal of this corporation, setting forth a copy of this resolution to merge said Ozalid Corporation and to assume all of its obligations and the date of the adoption thereof, and to file the said Certificate in the office of the Secretary of State of the State of Delaware, and to record a certified copy of said Certificate in the office of the Recorder of Deeds of New Castle County, Delaware, the county in which the principal place of business of this corporation and the principal place of business of said Ozalid Corporation are located; and

FURTHER RESOLVED, that the proper officers of this corporation be and they hereby are authorized and directed to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in any way requisite or proper for the full and complete accomplishment of the aforesaid merger.

IN WITNESS WHEREOF, this Certificate has been signed in the name of General Aniline & Film Corporation and under its corporate seal by D. A. Schmitz, its President, and W. H. vom Rath, its Secretary, this 27th day of September, 1940.

GENERAL ANILINE & FILM CORPORATION



By D. A. SCHMITZ
President

W. H. vom RATH
Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

BE IT REMEMBERED, that on this 27th day of September, 1940, personally came before me, Zelda Wells, a Notary Public in and for the County and State aforesaid, D. A. Schmitz, President of GENERAL ANILINE & FILM CORPORATION, a corporation of the State of Delaware, the corporation described in and which executed the foregoing certificate, known to me personally to be such, and he, the said D. A. Schmitz, as such President, duly executed said Certificate before me and acknowledged the said Certificate to be his act and deed and the act and deed of said corporation; that the signatures of the said President and of the Secretary of said corporation to said foregoing Certificate are in the handwriting of the said President and Secretary of said corporation respectively, and that the seal affixed to said Certificate is the common or corporate seal of said corporation, duly affixed by its authority, and that his act of sealing, executing, acknowledging and delivering the said Certificate was duly authorized by the Board of Directors of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

ZELDA WELLS
Notary Public.

ZELDA WELLS
NOTARY PUBLIC
NEW YORK COUNTY

ZELDA WELLS
Notary Public, New York County
New York Co. Clk's No. 425, Reg. No. 1W562
Commission Expires March 30, 1951

CERTIFICATE OF OWNERSHIP of
GENERAL ANILINE & FILM CORPORATION
Merging GENERAL DYESTUFF CORPORATION
into GENERAL ANILINE & FILM CORPORATION

Pursuant to Section 253 of the General
Corporation Law of the State of Delaware

GENERAL ANILINE & FILM CORPORATION, acting under and
pursuant to the provisions of Section 253 of the General
Corporation Law of the State of Delaware, DOES HEREBY
CERTIFY as follows:

1. General Aniline & Film Corporation is a stock
corporation organized and existing under and by virtue of
the provisions of the General Corporation Law of the State
of Delaware and is a foreign stock corporation authorized
to do business in the State of New York. The Certificate
of Incorporation of said corporation was filed in the office
of the Secretary of State of the State of Delaware on the
26th day of April, 1929, under the name of "American I. G.
Chemical Corporation" and the name of said corporation was
changed to "General Aniline & Film Corporation" by a
Certificate of Ownership, pursuant to Section 59A of the
General Corporation Law of the State of Delaware, filed in
the office of the Secretary of State of the State of
Delaware on the 31st day of October, 1939. A certificate of
authority to do business in the State of New York was issued
to said corporation by the Secretary of State of the State
of New York on the 14th day of April, 1930. The principal
place of business of said corporation in the State of
Delaware is located in New Castle County and the principal
place of business of said corporation in the State of New York
is located in the Borough of Manhattan, City and County of
New York.

2. This corporation owns all of the stock of General Dyestuff Corporation, a stock corporation organized and existing under and by virtue of the provisions of the Stock Corporation Law of the State of New York and authorized to engage in business incidental to the business which this corporation is authorized to engage in. The Certificate of Incorporation of General Dyestuff Corporation was filed in the office of the Secretary of State of the State of New York on the 28th day of March, 1925. The principal place of business of General Dyestuff Corporation in the State of New York is located in the Borough of Manhattan, City and County of New York.

3. The following resolution of merger was duly adopted by the Board of Directors of General Aniline & Film Corporation at a meeting of the said Board of Directors duly called and held on the 30th day of June, 1954, and is now in full force and effect:

WHEREAS this corporation now owns all of the stock of General Dyestuff Corporation, a stock corporation organized and existing under the laws of the State of New York and authorized to engage in business incidental to the business which this corporation is authorized to engage in; and

WHEREAS this corporation desires to merge such other corporation and to assume all of its obligations;

NOW, THEREFORE, BE IT

RESOLVED, that this corporation merge General Dyestuff Corporation and assume all of its obligations; and

FURTHER RESOLVED, that the President or a Vice President and the Secretary or Treasurer of this corporation be and they hereby are authorized and directed to make and execute a Certificate of Ownership in the name and under the corporate seal of this corporation, setting forth a copy of this resolution to merge said General Dyestuff Corporation and to assume all of its obligations and the date of the adoption thereof, and to file the said Certificate in the office of the Secretary of State of the State of Delaware and to record a certified copy of said Certificate in the office of the Recorder of Deeds of New Castle County, Delaware, the county in which the principal place of business of this corporation in the State of Delaware is located; and

FURTHER RESOLVED, that the President or a Vice President and the Secretary or Treasurer of this corporation be and they hereby are authorized and directed to make and execute a Certificate of Ownership in the name and under the corporate seal of this corporation, setting forth a copy of this resolution to merge said General Dyestuff Corporation and to assume all of its obligations and the date of the adoption thereof, and to file the said Certificate in the Department of State of the State of New York; and

FURTHER RESOLVED, that the proper officers of this corporation be and they hereby are authorized and directed to do all acts and things whatsoever, whether within or without the State of Delaware or the State of New York, which may in any way be requisite or proper for the full and complete accomplishment of the aforesaid merger.

IN WITNESS WHEREOF, this Certificate has been signed in the name of General Aniline & Film Corporation and under its corporate seal by Jack Frye, its President, and C. J. Hyland, its Secretary, this 30th day of June, 1954.

GENERAL ANILINE & FILM CORPORATION

General Aniline &
Film Corporation
Corporate Seal
1929
Delaware

By Jack Frye
President

C. J. Hyland

STATE OF NEW YORK)
COUNTY OF NEW YORK)SS:

BE IT REMEMBERED, that on this 30th day of June, 1954, personally came before me, Violet R. Roncace, a Notary Public in and for the County and State aforesaid, Jack Frye, President of GENERAL ANILINE & FILM CORPORATION, a corporation of the State of Delaware, the corporation described in and which executed the foregoing certificate, known to me personally to be such, and he, the said Jack Frye, as such President, duly executed said Certificate before me and acknowledged the said Certificate to be his act and deed and the act and deed of said corporation; that the signatures of the said President and the Secretary of said corporation to said foregoing Certificate are in the handwriting of the said President and Secretary of said corporation respectively, and that the seal affixed to said Certificate is the common or corporate seal of said corporation, duly affixed by its authority, and that his act of sealing, executing, acknowledging and delivering the said Certificate was duly authorized by the Board of Directors of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

Violet R. Roncace

Violet R. Roncace
Notary Public
State of New York

Violet R. Roncace
Notary Public in the State
of New York, No. 03-86,2800
Qualified in Bronx County

CERTIFICATE OF AMENDMENT
of
CERTIFICATE OF INCORPORATION
of
GENERAL ANILINE & FILM CORPORATION

GENERAL ANILINE & FILM CORPORATION, a corporation organized and existing under the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY as follows:

FIRST: That at a special meeting of the Board of Directors of said corporation duly convened and held, a resolution was duly adopted setting forth a proposed amendment to the certificate of incorporation of said corporation and declaring said amendment advisable and calling a meeting of the stockholders of said corporation for the consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED that the Certificate of Incorporation of General Aniline & Film Corporation is hereby amended by adding a new Article TENTH reading as follows:

"TENTH: 1. Only American Nationals, as hereinafter defined, shall be qualified to become owners or holders, directly or indirectly, by mesne conveyance or otherwise, of any interest in Restricted Stock, as hereinafter defined.

2. The term "Restricted Stock", as used in this Article TENTH, shall mean "Vested Stock", as hereinafter defined, and any other stock of the Corporation which is required to be restricted pursuant to the provisions of clause (b) of paragraph 8 below.

3. The term "Vested Stock", as used in this Article TENTH, shall mean shares of stock of the Corporation vested by the Alien Property Custodian or the Attorney General of the United States and thereafter sold by the Attorney General, and shall also include all shares of stock of the Corporation heretofore received by the Attorney General in payment for vested shares of General Dyestuff Corporation and hereafter sold by the Attorney General and any shares issued in exchange for Vested Stock or issued by way of stock dividend thereon or split-up thereof or shares acquired pursuant to any rights or warrants accruing to the holders of Vested Stock notwithstanding any recapitalization, consolidation, merger or reclassification.

4. The term "American National", as used in this Article TENTH, shall mean: (a) The United States, any State or Territory thereof, as well as any political subdivision, agency or instrumentality of the United States or any such State or Territory, (b) any individual who is a citizen of and resident in the United States, (c) any partnership organized and having its principal place of business in the United States or a Territory thereof, 75% of the members of which are citizens of and resident in the United States who own at least a 75% interest in the partnership, and (d) any corporation, association or other organization organized under the laws of the United States or any State or Territory thereof and having its principal place of

business therein, 75% of the voting stock of which is owned or held for the benefit of American Nationals, and which corporation, association or other such organization is not controlled by persons other than American Nationals; provided, however, that individuals, partnerships, corporations, associations or organizations which have been determined by the Alien Property Custodian or the Attorney General of the United States to be acting for or on behalf of a national of Germany or Japan, and persons who, by order of the Alien Property Custodian, pursuant to General Order No. 35 of the Alien Property Custodian, or by order of the Attorney General pursuant to Section 505.10, Regulations of the Office of Alien Property, Department of Justice (8 CFR 505.10) or any amendment thereof or supplement thereto, are determined not to be qualified to own or hold vested stock as defined in said General Order or regulation shall not be deemed American Nationals for purposes of this Article TENTH, irrespective of whether they would otherwise qualify under clauses (a), (b), (c) or (d) of this paragraph; and provided, further, that any individual, partnership, corporation, association or organization acting, holding, or purporting to act or hold, directly or indirectly, for or on behalf of or for the benefit of any country, individual, partnership, corporation, association or organization which is not an American National shall not be deemed an American National for purposes of this Article TENTH.

5. No right, title or interest in Restricted Stock may be transferred to or acquired by, or held for the benefit of, or held by, any person not an American National. Any such transfer, acquisition, or holding of any such right, title or interest is prohibited and shall be null and void. No right, title or interest in any Restricted Stock shall pass by such transfer or acquisition; provided, that any person not an American National to whom any such right, title or interest devolves or is transferred by Will, descent or operation of law shall have the right to receive, hold and sell the same as the owner thereof for a period not exceeding two years from such devolution or transfer; provided, further, that any American National holding any such right, title or interest, who ceases to be an American National, shall have the right to hold and sell Restricted Stock for a period not exceeding two years from the date on which he ceases to be an American National. In accordance with Section 194 of the General Corporation Law of Delaware, the restrictions and qualifications set forth in this paragraph 5 in respect of the transfer, acquisition and holding of Restricted Stock shall be stated upon the certificates representing such stock. Any stock certificate representing shares of stock of the Corporation may be transferred to an American National in the manner provided by the General Corporation Law, and the provisions of Section 181 of the General Corporation Law shall determine the power of American Nationals to acquire valid title to any certificate representing shares of stock of the Corporation.

6. Except as authorized in this paragraph or as otherwise authorized by the Director, Office of Alien Property (which term wherever used herein shall include any person at the time having appropriate authority under the Trading with the Enemy Act of October 6, 1917, as amended), the Corporation, its transfer agents and registrars, shall not issue or transfer, or recognize, record or register the issuance or transfer, or ownership, of Restricted Stock to or in any person not qualified under the provisions of this Article TENTH, to acquire or hold such stock. The Corporation, its transfer agents and registrars are hereby authorized to issue or transfer, and recognize, record

and register the issuance or transfer, or ownership, of Restricted Stock in the name of any person who certifies, in a manner authorized or approved by the Director, Office of Alien Property, that such person is an American National; provided that the Corporation, its transfer agent or registrar, as the case may be, does not have knowledge that such person is not an American National; but no rights in derogation of paragraph 5 above shall be created thereby. No corporate action shall be invalid on the ground of any invalidity by reason of the provisions of paragraph 5 above, of any vote, consent or exercise of a right accepted by the Corporation in respect of Restricted Stock registered in good faith in the name of any such person in reliance on certificates supplied in accordance with the provisions of this paragraph, and the Corporation may recognize any such person as a qualified stockholder for the payment of dividends, and for the purpose of voting, consenting or exercising any rights, provided that the Corporation at the time of payment, or such vote, consent or exercise of any right, shall have relied on a certificate supplied by such person in accordance with the provisions of this paragraph, and shall not have knowledge that such person is not qualified under the provisions of this Article TENTH to hold such stock. In the event the Corporation shall acquire knowledge that any person registered on its books as the purported owner of Restricted Stock is not qualified under the provisions of this Article TENTH to hold such stock, the Corporation shall not thereafter treat such person as the owner of such stock and thereupon may, but need not, recognize as the owner, with the exclusive right to receive dividends and to vote, consent and exercise all rights with respect thereto, the person whose name appears on its books to be the last registered holder of said Restricted Stock not known to the Corporation to be disqualified under the provisions of this Article TENTH from being a holder of Restricted Stock.

7. The Corporation shall, when requested by the Director, Office of Alien Property, furnish to the Director, Office of Alien Property, a list of the names and addresses of the holders of record of outstanding Restricted Stock of the Corporation. Whenever requested by the Director, Office of Alien Property, each holder of record of Restricted Stock shall furnish to the Director, Office of Alien Property, the name and address of the beneficial owner or owners of the stock so held of record by such person.

8. Except as specifically authorized by the Director, Office of Alien Property, upon a determination that adequate provision has been made to insure that the purposes of Section 505.10, Regulations of the Office of Alien Property, Department of Justice, and Special Order No. of the Attorney General, dated , 195 , will not be adversely affected, the following transactions are prohibited and shall be null and void:

- (a) The issuance of any Vested Stock of the Corporation or the transfer of any such stock, or any interest therein, to any person or organization not an American National, except under the limited conditions provided in paragraphs 1, 5 and 6 above.
- (b) The issuance of any stock of the Corporation not presently outstanding (whether presently authorized, held in treasury or newly created stock) unless the same conditions, prohibitions and restrictions as are imposed on Vested Stock by paragraphs 1, 5 and 6 above are imposed on a sufficient number of shares of the stock to be issued to insure that the then existing

proportion of voting power represented by the total Restricted Stock in relation to the total outstanding stock of the Corporation will not be reduced.

- (c) Any merger, consolidation, reorganization, or other corporate action which eliminates, in whole or in part, any Restricted Stock of the Corporation.
- (d) The sale, exchange, lease, mortgage or other disposition of all or substantially all of the property or assets of the Corporation or any operating division thereof, including property or assets hereafter acquired, to any person who is not an American National and who does not expressly agree in writing that any future sale, exchange, lease, mortgage or other disposition by such person of said property or assets shall be made subject to the same conditions and restrictions as are imposed upon the Corporation by this sub-paragraph 8(d).

SECOND: That thereafter pursuant to resolution of the Board of Directors of said corporation, a special meeting of the stockholders thereof was duly convened and held, at which meeting stockholders representing fifty-one per cent (51%) or more of the outstanding shares of stock of said corporation were present in person or by proxy and that at said meeting the holders of records of fifty-one per cent (51%) or more of the outstanding Common A Shares and the holders of record of fifty-one per cent (51%) or more of the outstanding Common B Shares of said corporation voted in favor of the amendment and there was no adverse vote against the amendment by the holders of record of twenty-five per cent (25%) or more of the outstanding Common A Shares of said corporation.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said corporation will not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, said General Aniline & Film Corporation has caused its corporate seal to be hereunto affixed and this certificate to be signed by John Hildring, its President, and C. J. Hyland, its Secretary, this day of , 1957.

GENERAL ANILINE & FILM CORPORATION

By
President

By
Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

BE IT REMEMBERED that on this day of , A.D. 1957, personally came before me, , Notary Public in and for the County and State aforesaid, John Hilldring, President of General Aniline & Film Corporation, a corporation of the State of Delaware, the corporation described in and which executed the foregoing certificate, known to me personally to be such, and he, the said John Hilldring, as such President, duly executed said certificate before me and acknowledged the said certificate to be his act and deed and the act and deed of said corporation; that the signatures of the said President and of the Secretary of said corporation to said foregoing certificate are in the handwriting of the said President and Secretary of said corporation respectively; that the seal affixed to said certificate is the common or corporate seal of said corporation; and that his act of sealing, executing and delivering the said certificate was duly authorized by resolution of the Board of Directors of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

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By-Laws

GENERAL ANILINE & FILM CORPORATION

As Amended May 19, 1953

Printed in June, 1953

BY-LAWS
OF
GENERAL ANILINE & FILM CORPORATION

ARTICLE I.

OFFICERS.

SECTION 1. *Principal Office.* The principal office of the Corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle, and the name of the resident agent in charge thereof is The Corporation Trust Company.

SECTION 2. *Other Offices.* The Corporation shall also have an office in the Borough of Manhattan, City and State of New York, and may have such other office or offices either within or without the State of Delaware, as the Board of Directors may from time to time appoint or as the business of the Corporation may require.

ARTICLE II.

MEETINGS OF STOCKHOLDERS.

SECTION 1. *Annual Meetings.* An annual meeting of the stockholders of the Corporation shall be held on the second Tuesday in April in each year (or, if that day shall be a legal holiday, then on the next succeeding business day) at such hour as may be specified in the notice thereof, for the purpose of electing directors and for the transaction of such other business as may properly be brought before such meeting. If any annual meeting shall not be held on the day designated herein or the directors to be elected at such

annual meeting shall not have been elected thereat or at any adjournment thereof, the Board of Directors shall cause a special meeting of the stockholders to be held as soon thereafter as conveniently may be for the election of such directors. At such special meeting the stockholders may elect directors and transact any other business with the same force and effect as at an annual meeting of the stockholders duly called and held.

SECTION 2. *Special Meetings.* Special meetings of the stockholders may be called at any time by the Chairman of the Board of Directors or by the President or a Vice-President or by the Board of Directors, or by stockholders holding of record in the aggregate at least twenty-five per cent. of the outstanding stock of the Corporation entitled to vote at such meeting, except as otherwise provided by law or in the Certificate of Incorporation, or any amendment thereto.

SECTION 3. *Place of Meeting.* All meetings of the stockholders for the election of directors shall be held at the office of the Corporation in the Borough of Manhattan, City and State of New York, which place of meeting shall not be changed within sixty (60) days next before the day on which the election is to be held. A notice of any change in such place of meeting shall be given to each stockholder of the Corporation at least twenty (20) days before the date on which such meeting is to be held, in person or by letter mailed to his last known post-office address. All other meetings of the stockholders shall be held at such places, within or without the State of Delaware, as may from time to time be fixed by the Board of Directors, or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 4. *Notice of Meetings.* Except as otherwise expressly required by law, notice of each meeting of the stockholders, whether annual or special, shall, at least ten (10) days before the day on which the meeting is to be held, be given to each stockholder of record of the Corporation

entitled to vote at such meeting by delivering a written or printed notice thereof (which, unless otherwise provided by law or by these By-laws, need not state the purpose or purposes of the meeting) to him personally or by mailing such notice in a postage pre-paid envelope addressed to him at his address as it appears upon the stock books of the Corporation. Except when expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Nevertheless, notice of any meeting of the stockholders shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy; and, if any stockholder shall, in person or by attorney thereunto authorized, in writing or by telegraph, cable or wireless, waive notice of any meeting of the stockholders, notice thereof need not be given to him. Except when expressly required by law, notice of any adjourned meeting of the stockholders of the Corporation need not be given.

SECTION 5. *Quorum.* At all meetings of the stockholders, (except where otherwise provided by law or by the Certificate of Incorporation) stockholders holding of record a majority of the shares of stock of the Corporation issued and outstanding and entitled to vote thereat, present in person or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, the stockholders entitled to vote thereat, present in person or by proxy, or in the absence thereof of all of the stockholders, any officer entitled to preside at, or to act as secretary of, such meeting may adjourn such meeting from time to time. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally called. The absence from any meeting, of stockholders holding the number of shares of stock of the Corporation having voting powers required by the laws of the State of Delaware or by the Certificate of Incorporation or by these By-laws for action upon any given matter shall not prevent action at such meeting upon any other matter or matters which may

properly come before the meeting, if there shall be present thereat in person or by proxy stockholders entitled to vote thereat, holding the number of shares of stock of the Corporation having voting powers required in respect of such other matter or matters.

SECTION 6. *Organization.* At each meeting of the stockholders, the Chairman of the Board of Directors, or, in his absence, the President, or, in the absence of both of said officers, a Vice-President, (who, if more than one Vice-President shall be present thereat, shall be that one of them who shall be chosen chairman of such meeting by a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat), or, if the President and all the Vice-Presidents shall be absent from such meeting, then some other officer of the Corporation, or, if all its officers shall be absent therefrom, a stockholder holding of record shares of stock of the Corporation having voting powers present in person at the meeting and entitled to vote thereat, likewise chosen chairman of such meeting, shall act as chairman thereof and preside thereat; and the Secretary of the Corporation, or if he shall be absent from such meeting or, if he shall be required or chosen pursuant to the provisions of this Section 6 to act as chairman of such meeting, the person (who shall be an Assistant Secretary of the Corporation, if any of them shall be present thereat) whom the chairman of such meeting shall appoint secretary of such meeting shall act as secretary of such meeting and keep the minutes thereof.

SECTION 7. *Voting.* Except as otherwise provided in the Certificate of Incorporation each stockholder of the Corporation shall, at each meeting of the stockholders, be entitled to one vote in person or by proxy for each share of the stock of the Corporation having voting powers held by him and registered in his name on the books of the Corporation:

(a) on the date fixed pursuant to the provisions of Section 5 of Article VI of these By-laws as the record

date for the determination of stockholders who shall be entitled to notice of and to vote at such meeting, or

(b) in the event that no such record date shall have been so fixed, then at the date of such meeting; *provided, however*, that, except where the transfer books of the Corporation shall have been closed or such a record date shall have been so fixed, no share of stock of the Corporation shall be voted on at any election of directors which shall have been transferred on the books of the Corporation within twenty (20) days next preceding such election of directors.

Shares of its own stock belonging to the Corporation shall not be voted upon directly or indirectly. Any vote on stock of the Corporation may be given at any meeting of the stockholders by the stockholder entitled thereto in person or by his proxy appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized and delivered to the secretary of the meeting; *provided, however*, that no proxy shall be voted on after three (3) years from its date, unless said proxy shall provide for a longer period. At all meetings of the stockholders all matters, except those, the manner of deciding upon which is otherwise expressly regulated by law or by the Certificate of Incorporation, or by these By-laws, shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. The vote for directors, and, upon the demand of any stockholder, the vote upon any question before the meeting, shall be by ballot. On a vote by ballot each ballot shall be signed by the stockholder voting, or in his name by his proxy, and it shall show the number of shares voted by him.

SECTION 8. List of Stockholders. It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger, either directly or through another officer of the Corporation designated by him or

through a transfer agent or transfer clerk appointed by the Board of Directors, to prepare and make, at least ten (10) days before every meeting of the stockholders called to be held for the election of directors of the Corporation a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order. Such list shall be open at the place where said meeting and election is to be held for said ten (10) days to the examination of any stockholder, and it shall be produced and kept at the time and place of said meeting and election during the whole time thereof, and subject to the inspection of any stockholder who may be present thereat. Upon the wilful neglect or refusal of the directors to produce such list at any election, they shall be ineligible to any office at such election. The original or duplicate stock ledger shall be the only evidence as to who are the stockholders entitled to inspect such list or the books of the Corporation, or to vote in person or by proxy at such election.

SECTION 9. *Inspectors of Votes.* Prior to each meeting of the stockholders, two Inspectors of Votes shall be appointed by the Board of Directors, or, if no such appointment shall have been made, such Inspectors shall be appointed by the chairman of the meeting, to act thereat. Each Inspector of Votes so appointed shall first subscribe an oath or affirmation faithfully to execute the duties of an Inspector of Votes at such meeting with strict impartiality and according to the best of his ability. Such Inspectors of Votes shall take charge of the ballots at such meeting and after the balloting thereat on any question shall count the ballots cast thereon and shall make a report in writing to the secretary of such meeting of the results thereof. The Inspectors of Votes need not be stockholders of the Corporation, and any officer of the Corporation may be an Inspector of Votes on any question other than a vote for or against his election to any position with the Corporation or on any other question in which he may be directly interested.

ARTICLE III.

BOARD OF DIRECTORS.

SECTION 1. *General Powers.* The property, business and affairs of the Corporation shall be managed by the Board of Directors.

SECTION 2. *Number, Term of Office and Qualifications.* The number of directors shall be sixteen (16), but the number thereof may be increased, or diminished to not less than three (3), by amendment of the By-laws. The directors shall be elected annually, and each director shall continue in office until his successor shall have been elected or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. If, for any reason, the annual meeting of the stockholders for the election of directors shall not be held at the time appointed therefor by these By-laws or shall be adjourned and the successors to the directors whose term of office shall have expired at the time of such meeting shall not have been elected thereat, the directors then in office, whose respective successors shall not have been elected at such meeting shall continue in office until such election shall have been held and their successors shall have been duly chosen.

SECTION 3. *Organization.* At each meeting of the Board of Directors the Chairman, or, in his absence, the President, or, in the absence of both of said officers, a chairman (who shall be one of the Vice-Presidents, if any of them shall be present at such meeting) chosen by a majority of the directors present thereat, shall act as chairman of such meeting and preside thereat. The Secretary, or in case of his absence the Assistant Secretary or in the absence of both the Secretary and the Assistant Secretary, any person appointed by the chairman of the meeting, shall act as secretary of such meeting.

SECTION 4. *Resignations.* Any director of the Corporation may resign at any time by giving written notice of his

resignation to the Chairman or to the President or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by such Chairman or President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. *Vacancies.* In case of any vacancy in the Board of Directors due to death, resignation, or removal, the Board of Directors, at any meeting at which a quorum is present, by the affirmative vote of a majority of the directors present at such meeting, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant. Any increase in the number of directors of the Corporation shall be deemed to create a vacancy or vacancies which may be filled hereunder. Any vacancy may also be filled by the holders of shares of stock of the Corporation entitled to vote in respect thereof at an annual meeting or, if called for the purpose at a special meeting of said holders.

SECTION 6. *Place of Meeting.* The Board of Directors may hold its meetings at such place or places within or without the State of Delaware as the Board may from time to time by resolution determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 7. *First Meeting.* After each annual election of directors the Board of Directors shall meet for the purpose of organization and the transaction of other business, as soon thereafter as practicable, at the place where regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board or in a waiver of notice thereof in accordance with these By-laws.

SECTION 8. *Regular Meetings.* Regular meetings of the Board of Directors shall be held at such times as the Board shall, from time to time, by resolution, determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day. Except as otherwise provided by law, notices of regular meetings need not be given.

SECTION 9. *Special Meetings; Notice.* Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board of Directors, the President, a Vice-President, or by a majority of the directors at the time in office. A notice shall be given as hereinafter in this Section provided of each such special meeting, in which shall be stated the time and place of such meeting, but, except as otherwise expressly provided by law or by these By-laws, the purposes thereof need not be stated in such notice. Except as otherwise provided by law, notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least two (2) days before the day on which such meeting is to be held, or shall be sent addressed to him at such place by telegraph, cable or wireless or be delivered personally or by telephone not later than the day before the day on which such meeting is to be held. Notice of any meeting of the Board need not, however, be given to any director, if waived by him at any time, whether before or after the meeting, in writing or by telegraph, cable or wireless, or if he shall be present at such meeting; and any meeting of the Board shall be a legal meeting without any notice thereof having been given if all the directors of the Corporation then in office shall be present thereat.

SECTION 10. *Quorum and Manner of Acting.* At all meetings of the Board, one-third of the total number of directors, but in no event less than two (2) directors, shall constitute a quorum for the transaction of business, and the act of

a majority of the directors present at any meeting of the Board at which there is a quorum present, shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by the Certificate of Incorporation or by these By-laws. In the absence of a quorum from any such meeting, it may be adjourned, from time to time, until a quorum shall be present thereat. Notice of any adjourned meeting need not be given. The directors shall act only as a Board and the individual directors shall have no power as such.

SECTION 11. *Removal of Directors.* Any director may be removed, either with or without cause, at any time, by the affirmative vote of a majority in interest of the stockholders of record of the Corporation entitled to vote, given at a special meeting of the stockholders called for the purpose; and the vacancy in the Board caused by any such removal may be filled by the stockholders at such meeting or by the Board of Directors pursuant to Section 5 of this Article III.

SECTION 12. *Compensation.* Each director shall, unless he is a salaried officer of the Corporation, be paid such fee, if any, as shall be fixed by the Board of Directors for each meeting of the Board which he shall attend and, in addition, each director shall be allowed such expenses as he shall actually incur in connection with the affairs or business of the Corporation.

ARTICLE III A.

EXECUTIVE COMMITTEE: OTHER COMMITTEES.

SECTION 1. *Constitution and Powers.* The Board of Directors may, by resolution adopted by vote of a majority of the whole Board, designate and appoint an Executive Committee to consist of the President and two or more of the other directors, which Executive Committee, to the extent provided in such resolution or in these By-laws, shall have and may exercise all of the powers of the Board of

Directors in the management of the business and affairs of the Corporation, including the power to authorize the seal of the Corporation to be affixed to all papers which may require it. So far as practicable members of the Executive Committee shall be appointed at the organization meeting of the Board of Directors, in each year, and, unless sooner discharged by vote of a majority of the whole Board of Directors, shall hold office until the organization meeting of the Board of Directors in the next subsequent year and until their respective successors are appointed.

SECTION 2. *Meetings.* Stated meetings of the Executive Committee, of which no notice shall be necessary shall be held on such days and at such place as shall be fixed by resolution, adopted by vote of a majority of the Committee and communicated to all the members thereof. Special meetings of the Committee may be called by any member of the Executive Committee, at any time. Notice of each special meeting of the Committee shall be sent by mail, telegraph or telephone, or be delivered personally, to each member of the Committee not later than the day before the day on which the meeting is to be held. Notice of any such meeting need not be given to any member of the Committee, however, if waived by him in writing, or if he be present at the meeting; and any meeting of the Committee shall be a legal meeting, without any notice thereof having been given, if all the members of the Committee shall be present thereat. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and the act of a majority of all the members of the Committee shall be required to adopt any resolution or take any other action. The members of the Executive Committee shall act only as a committee, and the individual members shall have no power as such.

SECTION 3. *Records.* The Executive Committee shall keep a record of its acts and proceedings and shall report the same from time to time to the Board of Directors. The Secretary of the Corporation, or in his absence, an

Assistant Secretary, shall act as Secretary to the Executive Committee; or the Committee may, in its discretion, appoint its own secretary.

SECTION 4. *Vacancies.* Any vacancy or vacancies in the Executive Committee may be filled by a vote of a majority of the whole Board of Directors, or any such vacancy or vacancies may, by like vote, be permitted to remain unfilled provided the number of the members of the Executive Committee is not thereby reduced below the minimum number of Executive Committee members stipulated by statute and these By-laws and the remaining members of the Executive Committee shall constitute such Committee until the filling of any such vacancy or vacancies by like vote.

SECTION 5. *Other Committees.* The Board of Directors may, from time to time, appoint other committees for any purpose and, by vote of a majority of the whole Board, may delegate to any such committee, or to any officer or officers, such powers as the Board may deem expedient, with power to subdelegate such powers, if by the Board deemed desirable.

ARTICLE IV.

OFFICERS.

SECTION 1. *Number.* The principal officers of the Corporation shall be a Chairman of the Board of Directors and a President, both of whom shall be elected from among the members of the Board, an Executive Vice-President, a Treasurer, and a Secretary. Any two offices, but not more than two, may be held by the same person.

SECTION 2. *Election, Term of Office and Qualifications.* The principal officers of the Corporation shall be chosen annually by the Board of Directors. Each principal officer shall hold office until his successor shall have been duly chosen or until his death or until he shall resign, or shall have been removed in the manner hereinafter provided.

SECTION 3. *Additional Officers.* In addition to the principal officers mentioned in Section 1 of this Article IV, the Board of Directors may appoint such other officers and agents as the Board may deem necessary or advisable, including one or more additional Vice-Presidents, one or more Assistant Vice-Presidents, one or more Assistant Treasurers and one or more Assistant Secretaries, each of which officers and agents shall hold office for such period, have such authority and perform such duties as are provided in these By-laws or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any principal officer the power to appoint any such additional officers and agents.

SECTION 4. *Removal.* Any officer of the Corporation may be removed, either with or without cause, at any time, by resolution adopted by a majority of the whole Board of Directors at any meeting, or, except in the case of any officer elected by the Board of Directors, by any superior officer upon whom such power of removal may be conferred by the Board of Directors.

SECTION 5. *Resignations.* Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, or to the Chairman, or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Board or such Chairman or President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. *Vacancies.* A vacancy in any office due to death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for regular appointments or elections to such office.

SECTION 7. *Chairman of the Board of Directors.* The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board, at which he is present, and shall perform such other duties as from time to time may be prescribed by the Board of Directors.

SECTION 8. *The President.* The President shall have general and active supervision over the business and affairs of the Corporation, subject, however, to the control of the Board of Directors. In the absence of the Chairman of the Board of Directors, the President shall, if present, preside at all meetings of the stockholders and at all meetings of the Board of Directors. He shall see that all orders and resolutions of the Board of Directors are carried into effect. He may sign, with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certificates of stock of the Corporation. He may sign, execute and deliver in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, except in cases where the signing, execution or delivery thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation or where any of them shall be required by law otherwise to be signed, executed or delivered; and, in general, he shall perform all duties incident to the office of President, and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 9. *The Vice-Presidents.* Each Vice-President shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe and shall perform such other duties as may be prescribed by these By-laws. Any Vice-President may sign, with the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certificates of stock of the Corporation. At the request of the President, or in case of his absence or inability to act, the Executive Vice-President, or in the case of the absence of the Executive Vice-President any of the Vice-Presidents, shall perform the

duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 10. *The Treasurer.* If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall:

(a) have charge and custody of, and be responsible for, all funds, securities, notes and valuable effects of the Corporation, receive and give receipt for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys to the credit of the Corporation or otherwise as the Board of Directors or the President shall direct in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-laws; cause such funds to be disbursed by checks or drafts on the authorized depositories of the Corporation signed as provided in these By-laws; and be responsible for the accuracy of the amounts of, and cause to be preserved proper vouchers for, all moneys so disbursed;

(b) have the right to require, from time to time, reports or statements giving such information as he may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same;

(c) render to the Chairman or the President or the Board of Directors whenever they shall require him so to do, an account of the financial condition of the Corporation and of all of his transactions as Treasurer; and as soon as may be after the close of each fiscal year, make and submit to the Board of Directors a like report for such fiscal year;

(d) exhibit at all reasonable times his cash books and other records to the Chairman or the President

and to any of the directors of the Corporation upon application;

(e) sign (unless the Secretary or an Assistant Secretary or an Assistant Treasurer shall sign), with the President or a Vice-President, certificates of stock of the Corporation; and

(f) in general, perform all the duties incidental to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECTION 11. *Assistant Treasurer.* If required by the Board of Directors, the Assistant Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. At the request of the Treasurer or in the case of his absence or inability to act, the Assistant Treasurer, or, if there be more than one, any of the Assistant Treasurers, shall perform the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. The Assistant Treasurer shall perform such other duties as from time to time may be assigned to him by the President, the Treasurer or the Board of Directors.

SECTION 12. *The Secretary.* The Secretary shall:

(a) keep the minutes of meetings of the stockholders and of the Board of Directors in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with the provisions of these By-laws or as required by law;

(c) be custodian of all contracts, deeds, documents, all other indicia of title to properties owned by the Corporation, and of its other corporate records (except accounting records) and of the seal of the Corporation, and see that such seal, or, if authorized

by the Board of Directors, a facsimile thereof, is affixed to all stock certificates prior to the issue thereof and to all other documents the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-laws; and, unless the Board of Directors shall otherwise direct in specific instances, the seal of the Corporation when so affixed shall always be attested by the signature of the Secretary or an Assistant Secretary;

(d) have charge, directly or through the transfer clerk or transfer clerks, transfer agent or transfer agents and registrar or registrars appointed as in these By-laws provided, of the issue, transfer and registration of certificates for shares of the stock of the Corporation and of the records thereof, such records to be kept in such manner as to show at any time the amount of the stock of the Corporation issued and outstanding, the names, alphabetically arranged, and the addresses of the holders thereof, and the number and class of shares held by each;

(e) exhibit or cause to be exhibited at all reasonable times to any director, upon application, such records of the issue, transfer and registration of the certificates for the stock of the Corporation;

(f) sign (or see that the Treasurer or an Assistant Treasurer or an Assistant Secretary shall sign) with the President or a Vice-President certificates for stock of the Corporation;

(g) see that the books, reports, statements, certificates and all other documents and records required by law are properly kept and filed;

(h) see that the duties prescribed by Section 8 of Article II of these By-laws are performed; and

(i) in general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

SECTION 13. *Assistant Secretary.* At the request of the Secretary or in the case of his absence or inability to act, the Assistant Secretary, or, if there be more than one, any of the Assistant Secretaries, shall perform the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each of the Assistant Secretaries shall perform such other duties as from time to time may be assigned to him by the President, the Secretary or the Board of Directors.

SECTION 14. *Salaries.* The salaries of the officers of the Corporation shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving a salary by reason of the fact that he is also a director of the Corporation.

ARTICLE V.

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

SECTION 1. *Execution of Contracts.* The Board of Directors may authorize any officer or officers or agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances, and, unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

SECTION 2. *Loans.* No loan shall be contracted on behalf of the Corporation, and no negotiable paper shall be issued in its name, unless authorized by the Board of Directors. When so authorized any officer or agent of the Corporation may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory

notes or other evidences of indebtedness of the Corporation and, when authorized as aforesaid, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, may mortgage, pledge, hypothecate or transfer any real or personal property at any time held by the Corporation and to that end execute instruments of mortgage or pledge, or otherwise transfer said property. Such authority may be general or confined to specific instances.

SECTION 3. *Checks, Drafts, etc.* All checks, drafts, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange and insurance certificates shall be signed or endorsed (except endorsements for collection for the account of the Corporation or for deposit to its credit) by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. *Deposits.* All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation or otherwise as the Board of Directors or the President shall direct in such banks, trust companies or other depositaries as the Board of Directors may select or as may be selected by any officer or officers or agent or agents of the Corporation to whom power in that respect shall have been delegated by the Board of Directors. For the purpose of deposit and for the purpose of collection for the account of the Corporation, checks, drafts and other orders for the payment of money which are payable to the order of the Corporation may be endorsed, assigned and delivered by any officer or agent of the Corporation to whom such power is so delegated.

SECTION 5. *General and Special Bank Accounts.* The Board of Directors may from time to time authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositaries as

the Board of Directors may select, or as may be selected by any officer or officers, agent or agents of the Corporation to whom power in that respect shall have been delegated by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-laws, as it may deem expedient.

SECTION 6. *Proxies in Respect of Stock or Other Securities of Other Corporations.* Unless otherwise provided by resolution adopted by the Board of Directors, the President or any Vice-President of the Corporation may from time to time appoint an attorney or attorneys or an agent or agents of the Corporation to exercise in the name and on behalf of the Corporation the powers and rights which the Corporation may have as the holder of stock or other securities in any other corporation to vote or consent in respect of such stock or other securities, and such President or any of such Vice-Presidents may instruct the person or persons so appointed as to the manner of exercising such power and rights and such President or any of such Vice-Presidents may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he or they may deem necessary or proper in order that the Corporation may exercise its said powers and rights.

ARTICLE VI.

SHARES AND THEIR TRANSFER; EXAMINATION OF BOOKS.

SECTION 1. *Certificates for Stock.* Every owner of stock of the Corporation shall be entitled to have a certificate to be in such form as the Board of Directors shall prescribe, certifying the number and class of shares of stock of the Corporation owned by him. The certificates representing shares of the respective classes of such stock shall be numbered in the order in which they shall be issued and shall be signed in the name of the Corporation by the President or

a Vice-President and by the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary of the Corporation and its seal shall be affixed thereto; *provided, however,* that, where such certificate is signed by a transfer agent or an assistant transfer agent or by a transfer clerk acting on behalf of the Corporation and a registrar, if the Board of Directors shall by resolution so authorize, the signature of such President, Vice-President, Treasurer, Secretary, Assistant Treasurer or Assistant Secretary and the seal of the Corporation may be facsimile. In case any officer or officers of the Corporation who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers, whether by reason of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates, or whose facsimile signature or signatures shall have been affixed thereto, had not ceased to be such officer or officers. A record shall be kept of the respective names of the persons, firms or corporations holding of record the stock represented by certificates for stock of the Corporation, the number of shares represented by such certificates, respectively, and the respective dates thereof, and in case of cancellation, the respective dates of cancellation. Every certificate surrendered to the Corporation for exchange or transfer shall be canceled and a new certificate or certificates shall not be issued in exchange for any existing certificate, until such existing certificate shall have been so canceled except in cases provided for in Section 4 of this Article VI.

SECTION 2. *Transfers of Stock.* Transfers of shares of the stock of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, or with a transfer clerk or a transfer agent appointed as in

Section 3 of this Article VI of these By-laws provided, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof for all purposes.

SECTION 3. *Regulations.* The Board of Directors may make such rules and regulations as it may deem expedient, not inconsistent with these By-laws, concerning the issue, transfer and registration of certificates for shares of the stock of the Corporation. It may appoint, or authorize any principal officer or officers to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

SECTION 4. *Lost, Destroyed and Mutilated Certificates.* The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefor, and the Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost or destroyed; the Board of Directors may, in its discretion, require the owner of the lost or destroyed certificate or his legal representatives to give the Corporation a bond in such sum, limited or unlimited, and in such form and with such surety or sureties, as the Board shall in its uncontrolled discretion determine, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate, or the issuance of such new certificate.

SECTION 5. *Closing of Transfer Books.* The Board of Directors may, by resolution, direct that the stock transfer books of the Corporation be closed for a period not exceeding fifty (50) days preceding the date of any meeting of the stockholders, or the date for the payment of any dividend, or the date for the allotment of any rights, or the date when

any change or conversion or exchange of stock of the Corporation shall go into effect, or for a period not exceeding fifty (50) days in connection with obtaining the consent of stockholders for any purpose; *provided, however*, that in lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date not exceeding fifty (50) days preceding the date of any meeting of the stockholders, or the date for the payment of any dividend, or the date for the allotment of any rights, or the date when any change or conversion or exchange of stock of the Corporation shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment or adjournments thereof, or entitled to receive payment of any such dividend, or to receive such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of stock, or to give such consent, and in each such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to notice of, and to vote at, such meeting and any adjournment or adjournments thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

SECTION 6. *Examination of Books by Stockholders.* The Board of Directors may determine, from time to time, whether and to what extent, and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware or as authorized by resolution adopted by the Board of Directors or by the vote of a majority of the holders of shares of stock of the Corporation entitled to vote in respect thereof; *provided, however*, that an original

or a duplicate stock ledger containing the names and addresses of the stockholders and the number of shares held by them, respectively, shall at all times during the usual hours for business be open to the examination of every stockholder at the principal office or place of business of the Corporation in Delaware.

ARTICLE VII.

LIMITATION OF LIABILITY AND INDEMNIFICATION OF DIRECTORS, OFFICERS AND CERTAIN REPRESENTATIVES OF THE CORPORATION.

No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith, if such person (a) exercised or used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took or omitted to take such action in reliance upon advice of counsel for the Corporation or upon statements made or information furnished by officers or employees of the Corporation or by accountants, auditors or by other experts employed by the Corporation which he had reasonable grounds to believe.

Each director and officer and each former director and officer of the Corporation, and any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, shall, except as hereinafter provided, be indemnified by the Corporation against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been a director or officer of the Corporation, or of such other corporation, except expenses incurred in relation to matters as to which such director or officer or former director or officer or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty.

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In the event of settlement of any such action, suit or proceeding any such director or officer or such person shall be indemnified by the Corporation against such expenses so incurred by him in connection with the defense of such action, suit or proceeding, including any amount paid in settlement thereof other than to the Corporation, but only expenses incurred in relation to matters as to which it shall be determined by a court of competent jurisdiction or by resolution duly adopted by a majority of the disinterested members of the Board of Directors, or of a disinterested group of three or more persons to whom the question may be referred by the Board of Directors, that such director or officer or such person was not negligent or guilty of misconduct in the performance of duty. In determining whether or not any such director or officer or such person was negligent or guilty of misconduct in the performance of duty, the disinterested members of the Board of Directors or such group may rely conclusively upon an opinion as to both facts and law by independent legal counsel selected by them. The foregoing right of indemnification shall not be exclusive of other rights to which those indemnified may be entitled as a matter of law, but shall apply only to actions, suits or proceedings in respect of acts or transactions occurring after March 16, 1942.

or such other Corporation
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CIVIL OR CRIMINAL
CPH.

The Corporation may from time to time advance to any director or officer or any former director or officer of the Corporation and any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, funds in payment of expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding, or in connection with any appeal therefrom or settlement thereof, including any amount paid in settlement thereof other than to the Corporation, in which he is made a party by reason of being or having been a director or officer of the Corporation or such other corporation, upon resolution duly adopted by a majority of the disinterested members of the Board of Directors, or a

CIVIL OR CRIMINAL
CPH

disinterested group of three or more persons to whom the question may be referred by the Board of Directors, that such director, officer or such person was not negligent or guilty of misconduct in the performance of duty; provided, however, that any amounts so advanced shall be credited against any amounts payable in indemnification as hereinabove provided and that any amounts so advanced in excess of such amounts ultimately payable in indemnification shall be repayable to the Corporation upon demand. In determining whether or not any such director or officer or such person was negligent or guilty of misconduct in the performance of duty, the disinterested members of the Board of Directors or such group may rely conclusively upon an opinion as to both facts and law by independent legal counsel selected by them.

ARTICLE VIII.

SEAL.

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation and the words and figures "Corporate Seal 1929 Delaware", or words and figures of similar import.

ARTICLE IX.

FISCAL YEAR.

The fiscal year of the Corporation shall end on the thirty-first day of December in each year.

ARTICLE X.

WAIVER OF NOTICES.

Whenever any notice whatsoever is required to be given by these By-laws or by the Certificate of Incorporation or by the Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE XI.

AMENDMENTS.

The By-laws of the Corporation may be altered or repealed, in any particular, and new By-laws not inconsistent with any provisions of the Certificate of Incorporation, or any provision of law, may be adopted, either by the affirmative vote of the holders of record of a majority in number of the outstanding shares of stock entitled to vote, given at an annual meeting, or at any special meeting, the notice of which special meeting shall include the form of the proposed alteration or repeal or of the proposed new By-laws, or a summary thereof, or by vote of a majority of the whole Board of Directors at any meeting thereof, the notice of which meeting shall include the form of the proposed alteration or repeal or of the proposed new By-laws, or summary thereof, or by the unanimous vote of all of the directors present at any meeting of the Board of Directors, at which a quorum is present.

GENERAL ANILINE & FILM CORPORATION
(A Delaware Corporation)

I, the undersigned, do hereby certify that I am
Secretary of GENERAL ANILINE & FILM CORPORATION, a corporation organized and existing under the laws of the State of Delaware, and that the foregoing is a true, correct and complete copy of the By-laws of said Corporation, heretofore duly adopted and including all amendments to the date hereof, and that said By-laws are now in full force and effect.

WITNESS my hand and the seal of said Corporation this
25 day of September, 1956

E. J. Hyland
Secretary.

(SEAL)

(4358)

REGISTRATION IS DEEMED TO BE A CONDITION OF THE BACK OF THIS CERTIFICATE
AGAINST TRANSFER OF RESTRICTED STOCK TO PERSONS WHO ARE NOT AMERICAN NATIONALS.

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CERTIFICATE FOR
RESTRICTED STOCK

CERTIFICATE FOR
RESTRICTED STOCK

GENERAL ANILINE & FILM CORPORATION

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFICATE IS TRANSFERABLE IN THE CITY OF NEW YORK OR IN JERSEY CITY, NEW JERSEY.

THIS IS TO CERTIFY that

is the owner of

By

Countersigned:
CITY BANK FARMERS TRUST COMPANY,
(New York)
Transfer Agent,

Registered:
THE CHASE MANHATTAN BANK,
(New York)
Registrar,

Authorized Signature.

By

FULL-PAID AND NON-ASSESSABLE COMMON A SHARES WITHOUT PAR VALUE

of GENERAL ANILINE & FILM CORPORATION, transferable on the books of the corporation in person or by duly authorized attorney upon surrender of this certificate properly endorsed. The designations, preferences and relative, participating, optional or other special rights of each class of stock of the corporation and the qualifications, limitations or restrictions thereof, as stated and expressed in its certificate of incorporation, as amended, together with certain other provisions of its certificate of incorporation, as amended, are set forth on the back hereof and this certificate and the shares represented hereby are issued and shall be subject to all the provisions of the certificate of incorporation of the corporation, as amended (a copy of which is on file with the Transfer Agent), to all of which the holder hereof by acceptance hereof assents. This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the corporation and the facsimile signatures of its duly authorized officers.

Dated

Secretary

President

RAO

RB

RBO

FULL-PAID AND NON-ASSESSABLE COMMON B SHARES PAR VALUE \$1. PER SHARE

Registered:

Commercial Trust Company of New Jersey,
(Jersey City, N. J.) Registrar,

By

Authorized Officer.

Countersigned:

THE CORPORATION TRUST COMPANY,
(Jersey City, N. J.) Transfer Agent,

By

Authorized Officer.

CERTIFICATE FOR
UNRESTRICTED STOCK

CERTIFICATE FOR
UNRESTRICTED STOCK

URA

URAO

URB

URBO

PLEASE ATTACH THIS FORM TO YOUR STOCK CERTIFICATE. IF YOUR CERTIFICATE IS SOLD OR OTHERWISE DISPOSED OF, THE FORM, EXECUTED BY THE NEW STOCKHOLDER, MUST ACCOMPANY IT WHEN IT IS PRESENTED FOR TRANSFER.

GENERAL ANILINE & FILM CORPORATION RESTRICTED STOCK

Form of Certification to accompany request for issuance or transfer of certificates representing Common A Shares and Common B Shares of General Aniline & Film Corporation which are restricted as to ownership and transferability to American nationals (herein called "Restricted Stock")

The undersigned* hereby makes application for the issuance or transfer in the name of the undersigned of shares of Restricted Stock of General Aniline & Film Corporation, now represented by:

Class	CERTIFICATE NUMBER(S)	NUMBER OF SHARES	Class	CERTIFICATE NUMBER(S)	NUMBER OF SHARES

(For Listing of Additional Certificates - Please List on Separate Sheet and Attach Hereto.)

As an inducement to and in consideration of such issuance or transfer, the undersigned hereby certifies to General Aniline & Film Corporation and to its Transfer Agents and Registrars and to the Attorney General of the United States (which term wherever used herein shall include any person at the time having appropriate authority under the Trading with the Enemy Act of October 6, 1917, as amended):

(1) That the undersigned is an American national, as defined in paragraph (c) of Section 505.10 of the Regulations of the Office of Alien Property, Department of Justice, 8 CFR 505.10, which paragraph reads as follows:

"(c) Only American nationals shall be qualified to become owners or holders, directly or indirectly, by mesne conveyance or otherwise, of any interest in vested stock.

'American national' shall mean: (1) The United States, any State or Territory thereof, as well as any political subdivision, agency or instrumentality of the United States or any such State or Territory, (2) any individual who is a citizen of and resident in the United States, (3) any partnership organized and having its principal place of business in the United States or a Territory thereof, 75 percent of the members of which are citizens of and resident in the United States who own at least a 75 percent interest in the partnership, and (4) any corporation, association or other organization organized under the laws of the United States or any State or Territory thereof and having its principal place of business therein, 75 percent of the voting stock of which is owned or held for the benefit of American nationals, and which corporation, association or other such organization is not controlled by persons other than American nationals. Provided, however, That individuals, partnerships, corporations, associations or organizations which have been determined by the Alien Property Custodian or the Attorney General to be acting for or on behalf of a national of Germany or Japan, and persons who, by order of the Alien Property Custodian or the Attorney General issued pursuant to this section, are determined not to be qualified to own or hold vested stock, shall not be deemed American nationals for purposes of this section, irrespective of whether they would otherwise qualify under subparagraphs (1), (2), (3) or (4) of this paragraph. And provided further, That any individual, partnership, corporation, association or organization acting, holding, or purporting to act or hold, directly or indirectly, for or on behalf of or for the benefit of any country, individual, partnership, corporation, association, or organization which is not an American national shall not be deemed an American national for purposes of this section."

(2) That, if any party other than the undersigned has any legal, beneficial or other interest whatsoever in said shares, or any of them, each such other party is an American national, as hereinabove defined, and that, if requested by the Attorney General of the United States, the undersigned shall furnish to him the name and address of each such other party.

It is intended that this Certification shall be relied upon by General Aniline & Film Corporation and its Transfer Agents and Registrars, and also held by them for presentation to and inspection by the Attorney General of the United States upon request by him and shall be relied upon by him in application and enforcement of Section 505.10.

*If two or more persons sign this Certification, all appropriate words shall be read in the plural instead of the singular.

Dated.....

ATTENTION IS DIRECTED TO THE FACT THAT SECTION 505.10 OF THE REGULATIONS OF THE OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE, PLACES CERTAIN RESTRICTIONS ON THE OWNERSHIP AND TRANSFER OF "VESTED STOCK" AS DEFINED THEREIN AND THAT SECTION 505.13 OF THE REGULATIONS OF THE OFFICE OF ALIEN PROPERTY DESIGNATES GENERAL ANILINE & FILM CORPORATION AS A "KEY CORPORATION" WITHIN THE MEANING OF SECTION 505.10 OF THE REGULATIONS OF THE OFFICE OF ALIEN PROPERTY. THE CERTIFICATE OF INCORPORATION OF GENERAL ANILINE & FILM CORPORATION, AS AMENDED, IMPOSES SUCH RESTRICTIONS ON THE OWNERSHIP AND TRANSFER OF CERTAIN OF THE COMMON A SHARES AND COMMON B SHARES OF THE CORPORATION. FOR A FULL STATEMENT OF SUCH RESTRICTIONS, SEE THE EXTRACT FROM THE CERTIFICATE OF INCORPORATION OF GENERAL ANILINE & FILM CORPORATION, AS AMENDED, SECTION 505.10 OF THE REGULATIONS OF THE OFFICE OF ALIEN PROPERTY AND SPECIAL ORDER NO. OF THE OFFICE OF ALIEN PROPERTY, WHICH ARE PRINTED ON THE REVERSE HEREOF.

Note: Section 505.10 of the Regulations of the Office of Alien Property was issued under the Trading with the Enemy Act, as amended, including without limitation Section 5(b) thereof which provides that "Whoever wilfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder," shall be fined not more than \$10,000, or be imprisoned for not more than ten years, or both, and that any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine or imprisonment. Section 16 of the Act contains similar penalties for wilful violation of "this Act or of any license, rule, or regulation issued thereunder," and further provides that any property or securities concerned in such violation be forfeited to the United States.

The restrictions on the ownership and transfer of Restricted Stock of General Aniline & Film Corporation included in its Certificate of Incorporation, as amended, were included therein by order of the Attorney General of the United States pursuant to the provisions of Section 505.10 of the Regulations of the Office of Alien Property, which also provides, among other things, that except as authorized by the Alien Property Custodian (Attorney General of the United States), such Certificate of Incorporation shall not hereafter be amended so as to delete therefrom any such restriction.

GENERAL ANILINE & FILM CORPORATION

July 10, 1947

Metropolitan Life Insurance Company,
One Madison Avenue,
New York 10, N. Y.

Attention: Vice President and Treasurer

Dear Sirs:

We agree with you as follows:

1. Subject to the terms and conditions hereof, you will lend to us, and we will borrow from you, the amount of \$15,500,000. The date of closing shall be July 11, 1947. Said loan shall be evidenced by and be made against delivery on the date of closing, at 1 Madison Ave., New York, N. Y., of our promissory note (hereinafter called the "Note"), made in the principal amount of \$15,500,000, dated the date of closing, made payable to you or order and duly executed by us in the form attached hereto as Exhibit A.

2. We represent and warrant that:

(a) The consolidated balance sheets of this Company and its consolidated subsidiaries as at December 31, 1942, 1943, 1944, 1945 and 1946, respectively, and the statements of consolidated profit and loss and of consolidated earned surplus of this Company and such subsidiaries for the fiscal years ended on said dates, including in each case the related schedules and notes, if any, certified by Arthur Andersen & Co., and the consolidated balance sheet of this Company and such subsidiaries as at March 31, 1947, and the statements of consolidated profit and loss and of consolidated earned surplus of the Company and such subsidiaries for the quarter ended on said date, certified by an authorized financial officer of the Company, and all heretofore delivered to you, are correct and complete, have been prepared in accordance with sound accounting practice consistently maintained throughout the periods involved, and truly present the consolidated financial condition and results of operations of this Company and such subsidiaries as at the respective dates of said balance sheets and for such fiscal years and for such quarter.

(b) There has been no material adverse change in the condition, financial or otherwise, of this Company and its consolidated subsidiaries from that set forth in the consolidated balance sheet of this Company and such subsidiaries as at March 31, 1947.

(c) Our net earnings available for fixed charges for the period of five fiscal years ended December 31, 1946, have averaged per year not less than one and one-half times our average annual fixed charges applicable to such period, and, during the fiscal year ended December 31, 1946, our net earnings available for fixed charges were not less than one and one-half times our fixed charges for such year, on a consolidated basis. As used in this subparagraph the terms

"net earnings available for fixed charges" and "fixed charges" have the meanings assigned to them in Section 81 (2) of the New York Insurance Law.

(d) Exhibit B hereto correctly sets forth a brief statement of the nature of the business conducted and proposed to be conducted by this Company and its subsidiaries.

(e) Exhibit C hereto correctly sets forth (i) a brief description of all real properties now owned by this Company and by each of its restricted subsidiaries, and (ii) a statement as at March 31, 1947 (or, if acquired thereafter, as at the date of acquisition thereof) of the gross book value, book reserve for depreciation and net book value thereof (subdivided into land, buildings and equipment) as at said date and the basis of valuation and the depreciation and amortization policy in respect thereof.

(f) All of the outstanding shares of stock of all classes of each restricted subsidiary of this Company owned by the Company have been validly issued and are fully paid and non-assessable. All of said shares (other than qualifying shares required to be owned by directors) of each restricted subsidiary are directly owned by this Company.

(g) This Company and its subsidiaries, respectively, have good and marketable fee title to all the real properties and good and marketable title to all other property and assets reflected in the consolidated balance sheet of this Company and its consolidated subsidiaries as at December 31, 1946, or purported to have been acquired by this Company or any of its consolidated subsidiaries after said date, excepting, however, property and assets sold or otherwise disposed of in the ordinary course of business subsequent to said date, subject to no mortgages, liens, charges or encumbrances of any nature whatsoever other than minor encumbrances, such as are mentioned in clauses (iv) and (v) of Section 6 (b) of Exhibit A hereto, which do not, in our opinion, in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of this Company or of the subsidiary owning the same.

(h) Except as set forth in Exhibit D hereto, there are no actions, suits or proceedings (whether or not purportedly on behalf of this Company or of its restricted subsidiaries or affiliates) pending or, to the knowledge of this Company, threatened against or affecting this Company or any of its restricted subsidiaries, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which involve the possibility of any judgment or liability, not fully covered by insurance, in excess of \$100,000 in any one case or \$200,000 in the aggregate, or which may result in any material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of this Company or any of its restricted subsidiaries; and neither this Company nor any of its restricted subsidiaries is, to the knowledge of any officer of the Company, in default with respect to any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(i) Except as set forth in Exhibit F hereto, the Company and its restricted subsidiaries own, or possess adequate licenses or other rights to use

in the United States, all trademarks, trade names, copyrights, and patents necessary to conduct the business in the United States of this Company and such restricted subsidiaries as now operated without notice of conflict with the asserted rights of others.

(j) None of the assets or property reflected in the consolidated balance sheet of this Company and its consolidated subsidiaries as at December 31, 1946, is held by this Company or any of its consolidated subsidiaries as lessee or as conditional vendee under any lease or conditional sales contract.

(k) Except as set forth in Exhibit F hereto, neither this Company nor any of its restricted subsidiaries is a party to any agreement or instrument or subject to any charter or other corporate restriction materially and adversely affecting, in our opinion, the business, property or assets, operations or condition, financial or otherwise, of this Company or any of its restricted subsidiaries.

(l) Neither the execution and delivery of this loan agreement, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof nor compliance with the terms and provisions hereof and of the Note will conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which this Company or any of its subsidiaries is now a party, or constitute a default thereunder, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of this Company or any of its subsidiaries pursuant to the terms of any such agreement or instrument.

(m) Since December 31, 1946, the business, properties and assets of this Company and its restricted subsidiaries have not been materially and adversely affected in any way as the result of any fire, explosion, earthquake, accident, strike, lockout, requisition or taking of property by the United States or any agency thereof, flood, drought, embargo, riot, activities of armed forces, or acts of God or the public enemy.

(n) The execution and delivery of this loan agreement and the Note, and the due observance and performance by this Company of all covenants, conditions and agreements on the part of the Company contained in this loan agreement and the Note, have been duly authorized and approved by the Attorney General pursuant to the powers granted to the Attorney General under the provisions of the Trading with the Enemy Act, as amended, and all executive orders, vesting orders, regulations, rulings and authorizations validly issued thereunder. A true copy of the authorization of the Attorney General will be kept on file at the principal office of this Company and will be made available for inspection by any holder or prospective holder of the Note.

3. So long as you shall hold the Note:

(a) We will deliver to you

(i) within 45 days after the end of each of the first three quarterly periods in each fiscal year, consolidated statements of profit and loss and of earned surplus of this Company and its consolidated subsidiaries for that period, and a consolidated balance sheet of this Company and its consolidated subsidiaries as at the end of that period, setting forth in each case in comparative form the corresponding figures for the corresponding period of the preceding fiscal year, all in reasonable detail and certified

by an authorized financial officer of this Company, subject, however, to year-end audit adjustments;

(ii) within 120 days after the end of each fiscal year, consolidated statements of profit and loss and of earned surplus of this Company and its consolidated subsidiaries for such year, and a consolidated balance sheet of this Company and its consolidated subsidiaries as at the end of such year, setting forth in each case in comparative form the corresponding figures of the previous annual audit, all in reasonable detail and accompanied by a report of independent public accountants of recognized standing selected by us;

(iii) during any period when this Company shall have one or more subsidiaries, the accounts of which are not included in the financial statements described in the preceding clause (ii), at the time prescribed in the said clause (ii), financial statements of the character and for the periods specified in said clause (ii), certified as therein provided, covering the operations and financial condition of each such subsidiary;

(iv) within 120 days after the end of each fiscal year, a certificate signed by an authorized officer of this Company stating (1) that a review of the activities of this Company and its subsidiaries during such year has been made under his supervision with a view to determining whether this Company has kept, observed, performed and fulfilled all its obligations under this loan agreement and the Note, (2) that to the best of his knowledge this Company has kept, observed, performed and fulfilled each and every covenant and condition herein and in the Note contained and is not at the time in default in the performance, observance or fulfillment of any of the covenants and conditions hereof or of the Note, and (3) that none of the events of default specified in the Note has occurred or, if this Company shall be so in default or if any of such events of default shall have occurred, specifying all such defaults and events of default and the nature and status thereof;

(v) promptly upon receipt thereof, copies of all detailed reports, if any, submitted to this Company by independent public accountants in connection with each annual or interim audit of its books or the books of its subsidiaries; and

(vi) promptly upon their becoming available,

(1) copies of all financial statements and reports which this Company or any of its subsidiaries shall send to its stockholders; and

(2) copies of all regular and periodical financial reports, if any, which this Company or any of its subsidiaries shall file with the Securities and Exchange Commission, or any governmental agency or agencies substituted therefor, or any similar or corresponding governmental department, commission, board, bureau or agency, federal or state, or with any national securities exchange.

(b) We will furnish to you such other reasonable information which might be helpful to you in evaluating your investment in the Note as you may, from time to time, request.

It is understood that information supplied to or obtained by you pursuant to this paragraph 3 or the next succeeding paragraph 4 is, to the extent not a matter of public record, confidential and not to be divulged by you.

4. So long as you shall hold the Note, you may visit and inspect any of the properties of this Company or its subsidiaries, examine its books of account and the books of account of its subsidiaries, and discuss the affairs, finances and accounts of this Company and its subsidiaries with its and their officers, all at such reasonable times and as often as you may desire.

5. You represent that you are acquiring the Note for your own account for investment and not with a view to sale, nor with any present intention of selling the Note, but subject, nevertheless, to any requirement of law that the disposition of your property shall at all times be within your control. We represent that we have not, either directly or through any agent, offered the Note to, or solicited any offers to acquire the Note from, or otherwise approached or negotiated or communicated in respect of the Note with, any person or persons other than you.

6. Your obligation to make the loan, as provided in paragraph 1 hereof, shall be subject to the performance by us of all our agreements theretofore to be performed hereunder and to the accuracy of our representations and warranties herein contained and to the satisfaction, prior to or concurrently with the making of said loan, of the following further conditions:

(a) You shall have received from Messrs. Fulton, Walter & Halley, who are acting as special counsel for you in connection with this transaction, a favorable opinion, in form and substance satisfactory to you,

(i) to the effect that this Company is a duly organized and existing corporation in good standing under the laws of its state of incorporation and has the power and authority to own its properties and to carry on its business as now conducted;

(ii) to the effect that this loan agreement has been duly authorized, executed and delivered by this Company and constitutes the legal, valid and binding obligation of this Company enforceable in accordance with its terms;

(iii) to the effect that the Note has been duly authorized, executed and delivered by this Company and constitutes the legal, valid and binding obligation of this Company enforceable in accordance with its terms;

(iv) to the effect (1) that it is not necessary in connection with the making and delivery of the Note to you, under the circumstances contemplated by this loan agreement, to register such Note under the Securities Act of 1933, as amended and as now in effect, and (2) that if you should in the future deem it expedient to sell the Note, which you do not now contemplate or foresee, such sale would be an exempted transaction under said Securities Act and would not of itself require registration of the Note under said Securities Act, provided you do not at the time of such sale directly or indirectly control this Company and are not then directly or indirectly controlled by or under direct or indirect common control with this Company;

(v) to the effect that the legal opinions and evidence of title referred to in subparagraphs (b) and (c) of this paragraph are satisfactory in form and substance to said counsel and that in their opinion you are justified in relying thereon; and

(vi) as to such other matters incident to the transactions contemplated by this loan agreement as you may desire.

(b) You shall have received at our expense from Messrs. Steptoe & Johnson, counsel for this Company, an opinion in form and substance satisfactory to you and your special counsel,

(i) as to all matters specified in subdivisions (i), (ii), (iii), (iv) and (vi) of subparagraph (a) of this paragraph;

(ii) to the effect that each restricted subsidiary of the Company is a corporation duly organized and existing and in good standing under the laws of the state of its incorporation, and to the effect that the Company and its restricted subsidiaries are each duly qualified as foreign corporations in each state wherein such qualification is necessary;

(iii) to the effect that the shares of stock of any restricted subsidiaries of this Company owned by this Company are validly issued, fully-paid and non-assessable;

(iv) to the effect that the legal opinions and other evidence of title referred to in subparagraph (c) of this paragraph, to the extent that any such opinions are not rendered by said counsel, are satisfactory in form and substance to said counsel and that in their opinion you are justified in relying thereon;

(v) to the effect that the execution and delivery of this loan agreement and the Note, and the due observance and performance by this Company of all covenants, conditions and agreements on the part of the Company contained in this loan agreement and the Note, have been duly authorized and approved by the Attorney General pursuant to the powers granted to the Attorney General under the provisions of the Trading with the Enemy Act, as amended, and all executive orders, vesting orders, regulations, rulings and authorizations validly issued thereunder; and

(vi) as to the adequacy of the remedies available to the holder of the Note to enforce such Note whenever the same shall become due and payable, whether at the stated date of maturity or by acceleration upon the occurrence of an event of default, notwithstanding the applicability to this Company or to any stock or assets of this Company, of any provisions of the Trading with the Enemy Act, as amended, or any executive order, vesting order, regulation, ruling or authorization which may be validly issued thereunder.

(c) You shall have received at our expense legal opinions or other evidence, in form and substance satisfactory to you and your special counsel, covering the right, title and interest of this Company and its restricted subsidiaries in and to their respective real properties.

(d) You shall have received from patent and trademark counsel, acceptable to you and your special counsel, an opinion in form and substance satis-

factory to you and your special counsel, concerning the matters set forth in subparagraph (i) of paragraph 2 hereof.

(e) This Company shall not have taken or suffered to be taken any action which it would have been prohibited from taking or suffering to be taken, and shall not have omitted, or permitted the omission of, any action which it would have been required to take or cause to be taken, if the Note in the form contemplated by this loan agreement had at all times since the date hereof been a binding and effective instrument; and we shall have delivered to you at the closing a certificate signed by an authorized officer of this Company to such effect.

(f) The representations and warranties in paragraphs 2 and 5 hereof shall be true on and as of the date of closing with the same effect as though such representations and warranties had been made on and as of the date of closing; and we shall have delivered to you on the date of closing a certificate signed by an authorized officer of this Company to such effect.

(g) All proceedings to be taken in connection with the transaction contemplated by this loan agreement, and all documents incident thereto, shall be satisfactory in form and substance to you and your special counsel; and you shall have received copies of all documents which you and your special counsel may reasonably request in connection with said transaction and of all corporate proceedings in connection therewith in form and substance satisfactory to you and your special counsel.

7. The proceeds of the loan made by you hereunder will be used for general corporate purposes.

8. We will promptly and punctually pay the interest on the Note so long as it is held by you without any presentment of the Note and without any notation of such payment being made on the Note.

In connection with the making of any payment of principal of the Note, you will make the Note available to this Company at any time during your regular business hours on the day such payment of principal is due, if we shall have so requested at least 15 days prior to such day, for the purpose of permitting this Company to make appropriate notation, to the extent not theretofore made, thereon of the amount of principal paid thereon. If we shall not make appropriate notation of any payment of principal on the Note held by you at the time such payment is made, you will promptly at our request make such notation.

In the event you shall sell the Note you will notify this Company of such sale and of the address of the transferee of the Note and you will, prior to the delivery of the Note, make a notation on the Note of the date to which interest has been paid on the Note and, if not theretofore made, a notation on the Note of the extent to which any payment has been made on account of the principal thereof.

9. Whether or not the loan herein contemplated shall be consummated, we will reimburse you for any out-of-pocket expenses incurred by you in connection with the transaction herein contemplated including, but without limitation, charges and disbursements of your special counsel for all services required of them in connection with the transaction herein contemplated.

10. The terms "subsidiary" and "restricted subsidiary" as used herein shall be deemed to have the respective meanings assigned to them in the form of Note annexed hereto as Exhibit A.

11. All covenants, agreements, representations and warranties made herein and in certificates delivered pursuant hereto shall survive the making by you of the loan herein contemplated and the execution and delivery to you of the Note evidencing such loan and shall continue in full force and effect so long as the Note is outstanding and unpaid. Whenever in this loan agreement either of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements in this loan agreement contained by or on behalf of this Company, or by or on behalf of you, shall bind and inure to the benefit of the respective successors and assigns of such party hereto; provided, however, that the provisions of paragraph 4 hereof shall not inure to the benefit of any assignee of this loan agreement who is engaged in a business the same as or similar to that conducted by the Company.

12. All communications provided for hereunder or under the Note shall be in writing and, if to you, mailed or delivered to you addressed as this loan agreement is addressed, or if to us, mailed or delivered to us at our office at New York, New York, or at any other office that we may hereafter designate by written notice to you.

13. This agreement shall be construed in accordance with the laws of the State of New York.

Upon your signing the form of acceptance on the enclosed counterpart of this loan agreement and returning such counterpart to us, this loan agreement shall become a binding agreement between you and this Company.

Very truly yours,

GENERAL ANILINE & FILM CORPORATION

By GEO. W. BURPEE
President

The foregoing agreement is hereby accepted.

METROPOLITAN LIFE INSURANCE COMPANY

By HARRY C. HAGERTY
Vice President & Treasurer

By EUGENE A. SCHMIDT, JR.
Third Vice President

EXHIBIT A

New York, New York

\$15,500,000

July , 1947.

GENERAL ANILINE & FILM CORPORATION (herein called the Company), a corporation duly organized and existing under the laws of the State of Delaware, for value received, hereby promises to pay to METROPOLITAN LIFE INSURANCE COMPANY or order, on the first day of June, 1967, the principal sum of Fifteen Million Five Hundred Thousand Dollars in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the Home Office of Metropolitan Life Insurance Company, in the Borough of Manhattan, the City and State of New York, and to pay interest on the unpaid portion of said principal sum from the date hereof at said Office, in like coin or currency, semi-annually on the first day of June and the first day of December in each year, at the rate of two and ninety-five one hundredths per centum (2.95%) per annum until such unpaid portion of such principal sum shall have become due and payable and at the rate of six per centum (6%) per annum thereafter and, so far as may be lawful, to pay interest on any overdue instalment of interest at the rate of six per centum (6%) per annum at said Office in like coin or currency.

1. The Company covenants and agrees that on June 1 of each year, commencing June 1, 1956, and continuing to and including June 1, 1966, it will prepay \$1,000,000 principal amount of the Note at the principal amount thereof, together with accrued interest thereon to such prepayment date. The Company, at its option, on June 1 of each year, commencing June 1, 1956, and continuing to and including June 1, 1966, may prepay an additional principal amount of the Note equal to \$250,000 or a multiple thereof not exceeding \$1,000,000, at the principal amount thereof, together with accrued interest thereon to such prepayment date. If the Company shall not exercise any such option on any June 1, such option shall lapse as to the amount which might be prepaid at such date and may not be exercised thereafter. No such optional prepayment pursuant to the provisions of the second sentence of this Section shall be credited to, or relieve the Company to any extent from, its obligation thereafter to make any prepayment of the Note required by this Section.

The Company shall give notice of each such prepayment as in Section 3 hereof provided.

2. Upon notice given as provided in Section 3 hereof, the Company at its option may call for prepayment and prepay this Note in its entirety or any portion hereof constituting a multiple of \$25,000 and aggregating at least \$100,000, at any time at the following respective percentages of the principal amount hereof or of such portion hereof so called for prepayment, together with the interest accrued hereon or on such portion hereof to the date fixed for prepayment by such notice:

- 103 % if prepaid on or before June 1, 1952;
- 102¼% if prepaid thereafter and on or before June 1, 1957;
- 101½% if prepaid thereafter and on or before June 1, 1962;
- 100¾% if prepaid thereafter and on or before June 1, 1966;
- 100¼% if prepaid thereafter and before June 1, 1967;

provided, however, that the percentage of the principal amount of this Note at which this Note may be prepaid shall, in lieu of being as hereinabove in this Section provided, be 100%, if (A) this Note is prepaid in its entirety preparatory to and in connection with, or within a period of twelve (12) months immediately following, the sale, release, disposal, or other relinquishment by the United States of America and all officers, agents, departments, bureaus, boards, agencies and instrumentalities thereof, of all right, title and interest, and purported right, title and interest, in or to more than 95% of the outstanding shares of capital stock of all classes of the Company vested in or held by the United States of America or its representatives; and (B) such prepayment is effected solely through the application of cash proceeds derived from the sale by the Company of assets or of shares of its capital stock of any class, preparatory to and in connection with, or within a period of twelve (12) months immediately following, the event above mentioned.

3. Any call for prepayment of this Note or any portion hereof shall be made by giving written notice not less than thirty (30) nor more than sixty (60) days prior to the date fixed for such prepayment. The notice of a call for prepayment of this Note or any portion hereof and all other notices to be given to any holder of this Note shall be mailed by registered mail to the payee herein named; provided, however, that if any subsequent holder of this Note shall have presented it to the Company for inspection at the office of the Company in New York, New York, and shall have delivered to the Company written notice of the acquisition by such holder of this Note and designated in writing an address to which notices in respect of this Note shall be mailed, such notices shall be given to such holder at such designated address, instead of to the payee herein named. Upon notice of call for prepayment being given as aforesaid, the Company covenants and agrees that it will prepay on the date therein fixed for prepayment the entire principal amount of this Note or the portion thereof, as the case may be, so called for prepayment at the applicable percentage, hereinabove provided, together with interest accrued thereon to such date fixed for prepayment.

4. If this Note or a portion hereof is called for prepayment as herein provided, this Note or such portion shall cease to bear interest from and after the date fixed for such prepayment; provided, however, that if, upon presentation for the purpose, the Company shall fail to pay this Note or such portion, as the case may be, this Note or such portion, as the case may be, shall bear interest, payable semi-annually on the first day of June and the first day of December in each year, at the rate of six per centum (6%) per annum from and after the date fixed for such prepayment.

5. The Company covenants and agrees that, so long as this Note shall be outstanding, it will:

(a) maintain an office or agency in New York, New York, where notices, presentations and demands to or upon the Company in respect of this Note may be given or made;

(b) promptly pay and discharge or cause to be paid and discharged all lawful taxes, assessments, and governmental charges or levies imposed upon the Company or any restricted subsidiary or upon the income and profits of the Company or any restricted subsidiary, or upon any property, real, personal or mixed, belonging to the Company or any restricted subsidiary, or

upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided, however, that the Company shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and the Company or such subsidiary, as the case may be, shall set aside on its books adequate reserves with respect to any such tax, assessment, charge, levy or claim so contested;

(c) do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises and do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence, rights and franchises of each of its restricted subsidiaries, and comply with and cause each restricted subsidiary to comply with all laws applicable to the Company or any such restricted subsidiary as its counsel may advise; provided, however, that nothing in this subsection (c) contained shall prevent a consolidation or merger of, or a sale, transfer or disposition of all or substantially all of the property and assets of, the Company not prohibited by the provisions of Section 6 (f) hereof, or a liquidation or dissolution of, or a sale, transfer or disposition of all or substantially all of the property and assets of, any restricted subsidiary not prohibited by the provisions of Section 6 (c) hereof;

(d) at all times maintain, preserve, protect and keep or cause to be maintained, preserved, protected, and kept its property and the property of its restricted subsidiaries used or useful in the conduct of the business of the Company and its restricted subsidiaries in good repair, working order and condition, and from time to time make, or cause to be made, all needful and proper repairs, renewals, replacements, betterments and improvements thereto, so that the business carried on in connection therewith may be properly and advantageously conducted at all times;

(e) set up on its books from its earnings, and cause each of its restricted subsidiaries to set up on the books of such subsidiary from the earnings thereof, during the fiscal year ending on December 31, 1947, and during each fiscal year thereafter, (A) adequate reserves for renewals and replacements, obsolescence and depreciation during each year and (B) reserves for all other proper charges against income;

(f) keep adequately insured, and cause each of its restricted subsidiaries to keep adequately insured, by solvent insurers, all property of a character usually insured by corporations engaged in the same or a similar business similarly situated against loss or damage of the kinds customarily insured against by such corporations, and carry, and cause each of its restricted subsidiaries to carry, such other insurance as is usually carried by corporations engaged in the same or a similar business similarly situated; and

(g) at all times keep, and cause each of its restricted subsidiaries to keep, true and complete books of record and accounts.

6. The Company covenants and agrees that so long as this Note shall be outstanding:

(a) The Company will not itself, and it will not permit any restricted subsidiary to, incur, create, assume, guarantee (whether by discount or otherwise) or in any manner become liable in respect of any indebtedness except the following:

(i) in the case of the Company and any restricted subsidiary, (A) liabilities in respect of taxes, assessments and governmental charges or levies and claims for labor, materials and supplies, as and to the extent permitted to remain unpaid and undischarged by Section 5(b) hereof, and (B) indebtedness secured by mortgages, liens or pledges specifically permitted by subsection (b) of this Section;

(ii) in the case of the Company, (A) unsecured current liabilities, and (B) unsecured funded indebtedness, but only if after giving effect thereto, the following conditions shall be fulfilled, namely: (1) the consolidated funded indebtedness of the Company and its restricted subsidiaries then outstanding will not exceed the sum of \$30,000,000, (2) the consolidated net working capital of the Company and its restricted subsidiaries will be not less than \$35,000,000 and will also be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, and (3) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries; and

(iii) in the case of any restricted subsidiary, (A) unsecured current liabilities incurred in the ordinary course of business (not as the result of borrowing) and not evidenced by any note or other evidence of indebtedness, and (B) indebtedness to the Company or to any wholly-owned restricted subsidiary.

(b) The Company will not itself, and it will not permit any restricted subsidiary to, create or incur or suffer to be created or incurred or to exist any mortgage, lien, charge or encumbrance of any kind (except as permitted by Section 5(b) hereof) on, or pledge of, and will not, whether by transfer to any subsidiary or otherwise, subject or permit any restricted subsidiary to subject to the prior payment of any indebtedness other than that represented by the Note, any property or assets, real or personal, tangible or intangible, of the Company or any restricted subsidiary, or own or acquire or agree to acquire any property of any character subject to or upon chattel mortgage or conditional sales agreement or other title retention agreement; provided, however, that the foregoing restrictions shall not prevent:

(i) the Company or any restricted subsidiary from creating or incurring or suffering to exist purchase money mortgages or other purchase money liens upon any real property purchased by the Company or such restricted subsidiary after June 1, 1947, or from acquiring real property after June 1, 1947 subject to mortgages and liens existing thereon at the date of acquisition, or from owning or acquiring or agreeing to acquire property subject to or upon chattel mortgages, conditional sales agreements or other title retention agreements, provided that (A) the principal amount of the indebtedness secured by each such mortgage or lien shall not exceed 66⅔% of the cost or fair value at the time of the acquisition thereof by the Company or such restricted subsidiary, whichever is less, to the

Company or such restricted subsidiary, as the case may be, of the property subject thereto, (B) each such mortgage or lien shall expressly provide that it shall apply only to the property originally subject thereto and fixed improvements erected thereon, and (C) the aggregate principal amount of all indebtedness of the Company and all its restricted subsidiaries at the time outstanding secured by mortgages and liens upon such property (including extensions, renewals and replacements thereof, as permitted by clause (ii) of this subsection, and also including the indebtedness then being incurred, but excluding indebtedness owing to the Company or any wholly-owned restricted subsidiary), plus the aggregate amount due or to become due in respect of the purchase price of property acquired or agreed to be acquired subject to or upon chattel mortgages, conditional sales agreements or other title retention agreements (including each chattel mortgage, conditional sales agreement or other title retention agreement then being made), shall not exceed \$3,000,000; or

(ii) the Company or any restricted subsidiary from extending, renewing or replacing any purchase money mortgage or other purchase money lien on real property permitted by the preceding clause (i) upon the same property theretofore subject thereto, or replacing, renewing or extending the indebtedness secured thereby, provided that in any such case the principal amount of such indebtedness so replaced, extended or renewed shall not be increased; or

(iii) any restricted subsidiary from mortgaging or pledging all or any part of its property and assets to the Company or to one or more wholly-owned restricted subsidiaries as security for indebtedness owing to the Company or to such restricted subsidiaries; or

(iv) the Company or any restricted subsidiary (A) from making pledges or deposits under workmen's compensation laws or similar legislation or good faith deposits in connection with bids, tenders, contracts (other than for the payment of money) or leases to which the Company or such restricted subsidiary is a party, or deposits to secure public or statutory obligations of the Company or such restricted subsidiary, or deposits to secure surety and appeal bonds to which the Company or such restricted subsidiary is a party, or (B) from incurring liens imposed by law, such as carriers', warehousemen's, mechanics', material-men's and vendors' liens, and liens arising out of judgments or awards against the Company or any restricted subsidiary with respect to which the Company or such restricted subsidiary at the time shall currently be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; or

(v) the creation or existence of liens for property taxes not yet subject to penalties for non-payment, or minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which encumbrances, easements, reservations, rights and restrictions do not, in the opinion of the Company, in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of the Company and its restricted subsidiaries.

(c) The Company will not cause, suffer or permit any restricted subsidiary to

(i) issue or dispose of any shares of its capital stock to any person other than the Company, or to one or more wholly-owned restricted subsidiaries, except to the extent, if any, required to qualify directors under any applicable law or required to be issued to other stockholders of such restricted subsidiary by virtue of their exercise of preemptive rights or required to be issued to other stockholders as their pro-rata share of any stock dividend; or

(ii) sell, assign, transfer, dispose of or in any way part with control of any share of capital stock of any other restricted subsidiary owned by it, or any indebtedness owing to it from another restricted subsidiary, except in either case to the Company or to one or more wholly-owned restricted subsidiaries, or except as permitted by the proviso in subsection (d) of this Section; or

(iii) sell, lease, transfer or otherwise dispose of all or substantially all its properties and assets, or consolidate with or merge into any other corporation, or permit another corporation to merge into it, except that (A) any subsidiary (which does not own any shares of capital stock or indebtedness of any other restricted subsidiary) may sell for cash all or substantially all of its property and assets, and (B) any restricted subsidiary may sell, lease, transfer or otherwise dispose of all or any part of its property to, or (subject to the provisions of subsection (f) of this Section) consolidate with or merge into, the Company or another restricted subsidiary or permit the Company to merge into it; or

(iv) acquire any stock of any other corporation which the Company would not have been permitted to acquire under the provisions of subsection (d) (iii) of this Section.

(d) The Company will not

(i) sell, assign, transfer, dispose of, or in any way part with control of, any share of capital stock of any restricted subsidiary except to the extent, if any, required to qualify directors of such restricted subsidiary under any applicable law or except to effect dissolution of such restricted subsidiary;

(ii) sell, assign, transfer, dispose of, or in any way part with control of, any indebtedness owing from any restricted subsidiary to the Company;

(iii) acquire, directly or indirectly, any stock of any other corporation, if such other corporation immediately after such acquisition will be a restricted subsidiary, unless immediately upon the completion of such acquisition such other corporation shall have outstanding no indebtedness, mortgages, pledges, liens or charges of any kind other than indebtedness, mortgages, pledges, liens and charges which such other corporation would have been permitted to create, assume or incur under and in conformity with the terms and provisions of this Note if it had been a restricted subsidiary;

provided, however, that all shares of capital stock of all classes, together with all indebtedness, of any restricted subsidiary owned by the Company and its

other subsidiaries may be sold, as an entirety, for any adequate consideration (subject to the limitations of clause (iii) above) if the subsidiary whose shares of capital stock and indebtedness are so sold does not own any shares of capital stock or indebtedness of any other restricted subsidiary not being simultaneously disposed of as permitted by this proviso; and provided further that, for the purposes of clause (iii) of this subsection (d) and of subsections (a) and (b) of this Section, indebtedness (other than indebtedness of the character described in item (A) of clause (i) and in clause (iii) of subsection (a) of this Section) of a corporation becoming a restricted subsidiary shall be deemed to be purchase money indebtedness incurred immediately prior to such corporation's becoming a restricted subsidiary and mortgages and liens existing on property of a corporation becoming a restricted subsidiary shall be deemed to be purchase money mortgages or purchase money liens.

(e) The Company will not declare or pay any dividends (other than dividends payable in capital stock of the Company) on any shares of any class of its capital stock or apply any of its property or assets to the purchase, redemption or other retirement of, or set apart any sum for the payment of any dividends on, or for the purchase, redemption or other retirement of, or make any other distribution, by reduction of capital or otherwise, in respect of, or permit any subsidiary to purchase, any shares of any class of capital stock of the Company, unless, after giving effect to such action, the following conditions shall be fulfilled, namely,

(i) the sum of

(A) the amounts declared and paid or payable as dividends (other than dividends paid or payable in capital stock of the Company) on all shares of stock of all classes of the Company or distributed in respect of such shares of stock subsequent to December 31, 1946,

(B) the excess of the amounts applied to, or set apart for the purchase (including purchases by subsidiaries), redemption or retirement of shares of stock of all classes of the Company subsequent to December 31, 1946, over such part of such amounts as shall have been received as the net cash proceeds of sales of shares of stock of the Company subsequent to December 31, 1946,

will not be in excess of \$1,000,000 plus 80% of the consolidated net income of the Company and its restricted subsidiaries accrued subsequent to December 31, 1946;

(ii) the consolidated net working capital of the Company and its restricted subsidiaries will be not less than \$35,000,000 and also will be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries; and

(iii) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries.

(f) The Company will not sell, lease, transfer or otherwise dispose of all or substantially all its properties and assets, or consolidate with or merge into any other corporation, or permit another corporation to merge into it, unless

(i) such other corporation shall not have outstanding immediately prior to such sale, lease, transfer, disposition, consolidation or merger (1) any mortgage, lien or pledge other than mortgages, liens and pledges of the character which such other corporation would have been permitted to create, assume or incur under and in conformity with the terms and conditions of this Section if it had, at the time of such creation, assumption or incurring, been a restricted subsidiary, or (2) any indebtedness which the Company would not then be permitted to incur, create or assume under the provisions of this Note;

(ii) the obligations of the Company under the Note shall be expressly assumed by such successor corporation (if such successor corporation shall not be the Company), transferee or lessee;

(iii) such successor corporation, transferee or lessee shall be a corporation incorporated within the continental limits of the United States of America; and

(iv) such successor corporation shall thereupon be entitled to pay a dividend in some amount within the limitations prescribed in Section 6 (e) hereof.

(g) Neither the Company nor any restricted subsidiary will make any investment in any unrestricted subsidiary whether by acquisition of stock or indebtedness, or by loan, advance, transfer of property, capital contribution, or otherwise, or purchase any stock of any corporation which upon the purchase thereof will become an unrestricted subsidiary unless, after giving effect thereto, the following conditions shall be fulfilled, namely: (i) the consolidated net working capital of the Company and its restricted subsidiaries will be not less than \$35,000,000 and also will be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, (ii) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, and (iii) the then aggregate amount of all investments of the Company and its restricted subsidiaries in unrestricted subsidiaries, whether by acquisition of stock or indebtedness, or by loan, advance, transfer of property, capital contribution, or otherwise, will not exceed the sum of \$3,000,000 plus the net amount received by the Company on account of the payment or satisfaction of claims of the Company, originating in foreign countries and existing prior to January 1, 1947, and not reflected as an asset in the published consolidated balance sheet of the Company and its consolidated subsidiaries as at December 31, 1946.

7. For the purpose of this Note:

(a) The term "corporation" shall include corporations, associations, companies and business trusts.

(b) The term "voting stock" of a corporation shall mean stock at the time entitling the holders thereof to elect a majority of the board of directors, managers or trustees of such corporation.

(c) The term "subsidiary" shall mean any corporation more than 50% of the voting stock of which at the time is owned or controlled directly or indirectly by the Company and/or by one or more subsidiaries. The term "restricted subsidiary" shall mean any subsidiary other than a subsidiary which

(i) does not own or control directly or indirectly any shares of stock of a restricted subsidiary, and (ii) either (A) is determined, by resolution of the Board of Directors of the Company adopted not more than 30 days after the date upon which such corporation became a subsidiary, not to be a restricted subsidiary, such determination to be effective as of the time such corporation became a subsidiary, or (B) is incorporated under the laws of a jurisdiction not within the continental limits of the United States or the Dominion of Canada and has substantially all its properties and carries on substantially all its business outside the continental limits of the United States and the Dominion of Canada. The term "unrestricted subsidiary" shall mean any subsidiary which is not a restricted subsidiary. The term "wholly-owned restricted subsidiary" shall mean any restricted subsidiary all the outstanding shares of stock of all classes of which (other than qualifying shares required to be owned by directors) are at the time owned directly by the Company.

(d) The term "indebtedness" shall mean and include (i) all items of indebtedness which in accordance with sound accounting practice would be included in determining total liabilities as shown on the liability side of a balance sheet as at the date as of which indebtedness is to be determined, (ii) indebtedness secured by any mortgage, pledge or lien, existing on property owned subject to such mortgage, pledge or lien, whether or not the indebtedness secured thereby shall have been assumed and (iii) guaranties, endorsements and other contingent obligations in respect of, or to purchase or otherwise acquire, indebtedness of others; provided, however, that the term "indebtedness" shall not include any prepaid indebtedness.

(e) The term "funded indebtedness" shall mean all indebtedness other than current liabilities, and shall include the aggregate amount of all rental payments due and payable or to become due and payable by the Company or any restricted subsidiary as lessee during the remaining unexpired term of each lease of property used primarily for manufacturing or operating purposes, the term of which exceeds five years.

(f) The term "consolidated net income of the Company and its restricted subsidiaries" shall mean the aggregate of the net income of the Company and its restricted subsidiaries after eliminating all offsetting debits and credits between the Company and its restricted subsidiaries and portions of earnings properly attributable to minority interests, if any, in common stocks of restricted subsidiaries, and after making provision for dividends accrued on preferred stock, if any, of restricted subsidiaries not owned by the Company or by another restricted subsidiary, all computed in accordance with sound accounting practice. The term "net income" of any corporation for any period shall mean the net income (or the net deficit, if expenses and charges exceed revenues and other proper income credits) of such corporation for such period, determined in the following manner:

(A) The gross revenues and other proper income credits of such corporation shall be computed for such period in accordance with sound accounting practice, provided that in any event there shall not be included in such gross revenues and income credits any of the following items: (1) any gain arising from any sale of capital assets, except in the regular course of business, or from the acquisition or retirement or sale of securities of such corporation or any subsidiary of such corporation; or (2) any restoration of any contingency reserve to income, except to the

extent of amounts restored to income to offset extraordinary losses or charges against income arising out of the contingency for which such reserve was established, and except to the extent that provision for such contingency reserve was made out of income accrued subsequent to December 31, 1946.

(B) From the amount of such gross revenues and other proper income credits for such period determined as provided in the preceding clause (A) there shall be deducted an amount equal to the aggregate of all expenses and other proper income charges (exclusive of losses from the sale or abandonment of capital assets except in the regular course of business) for such period, determined in accordance with sound accounting practice but in any event including (without in any respect limiting the generality of the foregoing) the following items: (1) all interest charges; (2) amortization of debt discount and expense and amortization of all other deferred charges properly subject to amortization; (3) provision for all taxes in respect of property and in respect of income; (4) provision for all contingency reserves, whether general or special; (5) provision for depreciation, depletion, obsolescence and/or amortization.

(g) The term "consolidated current assets", to the extent permitted by and in all cases as determined in accordance with sound accounting practice, shall include, after eliminating intercompany items, (i) cash and cash items on hand or in transit or on deposit in any bank or trust company which has not suspended business; (ii) stocks, bonds and other securities or obligations which are readily marketable, taken at the current market price thereof or at the fair value thereof if there be no such current market price; (iii) good and collectible notes, trade acceptances, accounts and bills receivable; (iv) inventories of merchandise and supplies, all taken on the basis of, and not in excess of, cost or current fair market value, whichever shall be lower; and (v) such other assets as sound accounting practice would include within the term "current assets" in the case of a corporation conducting a business the same as or similar to that of the particular corporation concerned; all after deduction of adequate reserves in each case where a reserve is proper under sound accounting practice.

(h) The terms "current liabilities" and "consolidated current liabilities" shall mean, as of the date of determination thereof and, in the case of consolidated current liabilities, after eliminating intercompany items, all indebtedness maturing on demand or within one year after the date as of which such determination is made, prepayments of indebtedness (including prepayments in respect of this Note) and fixed sinking fund payments or other prepayments required to be made with respect to any indebtedness within one year after said date, and all other items (including taxes accrued as estimated) which in accordance with sound accounting practice would be included as current liabilities or as consolidated current liabilities, as the case may be.

(i) The term "consolidated net working capital" shall mean the amount by which the consolidated current assets exceed the consolidated current liabilities.

(j) The term "consolidated tangible assets" shall mean and include all tangible assets (less depreciation and other reserves and items deductible under good accounting practice) which under good accounting practice would

appear on the assets side of the consolidated balance sheet, excluding patents, trade marks, trade names, licenses, good will, deferred charges, treasury stock and all items treated as intangibles under good accounting practice.

(k) The term "consolidated net tangible assets" shall mean the amount by which the consolidated tangible assets exceed the consolidated current liabilities.

8. This Note shall become and be due and payable upon demand made by the holder hereof if one or more of the following events, herein called events of default, shall happen and be continuing:

(a) Default in the payment of the principal of the Note, with the premium thereon, if any, when and as the same shall become due and payable, whether at maturity or at a date fixed for prepayment or by acceleration or otherwise; or

(b) Default in the payment of any instalment of interest on the Note according to its tenor when and as the same shall become due and payable and such default shall continue for a period of thirty days; or

(c) Default in the due observance or performance of any covenant, condition or agreement on the part of the Company contained in Section 1 or in subsections (a), (b), (e), (f) or (g) of Section 6 hereof; or

(d) Default in the due observance or performance of any other covenant, condition or agreement on the part of the Company to be observed or performed pursuant to the terms hereof and such default shall continue for thirty days after written notice thereof, specifying such default and requesting that the same be remedied, shall have been given to the Company by the holder of the Note; or

(e) The Company or any restricted subsidiary shall be adjudicated a bankrupt or insolvent, or shall consent to the appointment of a receiver, trustee or liquidator of itself or of any of its property, or shall admit in writing its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or a voluntary petition or an answer seeking reorganization in a proceeding under the federal bankruptcy laws (as now or hereafter in effect), or an answer admitting the material allegations of a petition filed against the Company or any restricted subsidiary in any such proceeding, or shall, by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding up of corporations, or the Company or its directors or majority stockholders shall take action looking to the dissolution or liquidation of the Company (except in connection with a consolidation with or a merger of the Company with or into another corporation or a sale, transfer or disposition of all or substantially all of the property and assets of the Company, not prohibited by subsection (f) of Section 6 hereof); or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Company or a restricted subsidiary, a receiver, trustee or liquidator of the Company or such subsidiary or of any substantial part of its or their property, and such receiver, trustee or liquidator shall not have been removed or discharged within ninety

days thereafter, or any of the property of the Company or a restricted subsidiary shall be sequestered and shall not be returned to the possession of the Company or such subsidiary within ninety days thereafter; or

(g) A petition against the Company or any restricted subsidiary in a proceeding under the federal bankruptcy laws (as now or hereafter in effect) shall be filed and shall not be dismissed within ninety days after such filing, or, in case the approval of such petition by a court of competent jurisdiction is required, shall be filed and approved by such a court as properly filed and such approval shall not be withdrawn or the proceeding dismissed within ninety days thereafter, or if, under the provisions of any other similar law providing for reorganization or winding up of corporations and which may apply to the Company or any restricted subsidiary, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Company or such restricted subsidiary or of any of its or their property and such jurisdiction, custody or control shall not be relinquished or terminated within ninety days thereafter; or

(h) Default shall be made in the payment of any instalment of interest, when the same shall become due and payable, on any bond, debenture, note or other evidence of indebtedness (other than this Note) of, or assumed or guaranteed by, the Company or any restricted subsidiary and such default shall continue for a period of thirty days, or default shall be made in the payment of the principal of any such bond, debenture, note or other evidence of indebtedness when the same shall become due and payable, whether at maturity, by declaration, by call for prepayment, by call for redemption, or otherwise; or

(i) Final judgment for the payment of money in excess of One hundred thousand dollars (\$100,000) shall be rendered against the Company or a restricted subsidiary and the same shall remain undischarged for a period of sixty days during which execution shall not be effectively stayed; or

(j) The United States of America or any officer, agent, department, bureau, board, agency or instrumentality thereof shall, pursuant to the Trading with the Enemy Act, as heretofore or hereafter amended, or any other legislation relating to vested corporations or to the vesting of assets, properties or interests, or any executive order, vesting order, regulation or ruling thereunder, vest or purport to vest, or otherwise assert any right, title or interest in or to, any substantial portion of the assets, properties or interests of the Company or any of its restricted subsidiaries.

9. In case any one or more of the events of default specified in Section 8 of this Note shall happen and be continuing, the holder of this Note may proceed to protect and enforce his rights by suit in equity, action at law and/or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Note or in aid of the exercise of any power granted in this Note, or may proceed to enforce the payment of this Note or to enforce any other legal or equitable right of the holder of this Note.

10. This Note shall be governed by the laws of the State of New York.

11. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

12. No course of dealing between the Company and the holder hereof shall operate as a waiver of any right of any holder hereof and no delay on the part of the holder hereof in exercising any right hereunder shall so operate.

IN WITNESS WHEREOF, General Aniline & Film Corporation has caused this Note to be signed in its corporate name by its President or one of its Vice-Presidents and this Note to be dated as of the day and year first above written.

GENERAL ANILINE & FILM CORPORATION

By.....
President

The General Aniline & Film Corporation, as maker, and the Metropolitan Life Insurance Company, as payee and as holder, of the within note, agree and consent and do hereby modify the said note as follows: at Par. 6(a)(ii), by striking out the figures \$30,000,000 and \$35,000,000, and substituting therefor the figures \$45,000,000 and \$50,000,000, respectively; at Par. 6(e)(ii) by striking out the figure \$35,000,000, and substituting therefor the figure \$50,000,000; at Par. 6(g), by striking out the figures \$35,000,000 and \$3,000,000, and substituting therefor the figures \$50,000,000 and \$5,000,000, respectively; and at Par. 7(e), by striking out everything in that subparagraph following the word "liabilities," inserting a period after that word.

Done this 4th day of June 1952 at New York,
N.Y.

General Aniline & Film Corporation

By /s/ W. I. McNeill
Vice President

Metropolitan Life Insurance Company

By /s/ Arnold R. LaFores
Third Vice-President

/s/ Greene F. Johnson
Asst. General Counsel

(c) The Company will not cause, suffer or permit any restricted subsidiary to:

- (i) issue or dispose of any share of its capital stock to any person other than the Company, or to one or more wholly-owned restricted subsidiaries, except to the extent, if any, required to qualify shares under

(ii) the consolidated net working capital of the Company and its restricted subsidiaries will not be less than \$3,000,000 and also will be not less than 15% of the consolidated funded indebtedness of the Company and its restricted subsidiaries; and

[illegible]

The Note shall not be due and payable upon demand except in the following events, herein called events of default, and if one or more of the following events, herein called events of default, shall happen and be continuing:

- (a) Default in the payment of the principal of the Note, with the premium thereon, if any, when and as the same shall become due and payable;
- (b) Failure to pay when due, or when the same shall become due, whether at maturity or at a date fixed for prepayment or by acceleration or otherwise; or

GENERAL ANILINE & FILM CORPORATION

July
~~July~~ 5, 1951

Metropolitan Life Insurance Company,
One Madison Avenue,
New York 10, N. Y.

Attention: Financial Vice President

Dear Sirs:

We agree with you as follows:

1. Subject to the terms and conditions hereof, you will lend to us, and we will borrow from you, the amount of \$20,000,000, such loan to be advanced in three instalments, the first instalment in the amount of \$10,000,000 to be advanced on March 3, 1952 (hereinafter called the first closing date), the second instalment in the amount of \$5,000,000 to be advanced on February 16, 1953 or such date prior thereto not earlier than February 2, 1953 as we may fix on ten days' written notice to you (hereinafter called the second closing date), and the third instalment in the amount of \$5,000,000 to be advanced on May 1, 1953, or such date prior thereto not earlier than the second closing date as we may fix on ten days' written notice to you (hereinafter called the third closing date), but such third instalment shall be optional on our part and shall be advanced only if requested by us in writing at least ten days prior to the third closing date. Each instalment of said loan shall be evidenced by and be made against delivery at One Madison Avenue, New York, N. Y., of our promissory note made in the principal amount of \$10,000,000, or \$5,000,000, as the case may be, dated as of the closing date on which such instalment is advanced, payable to your order and duly executed by us.

In consideration of your agreement to make the loan hereunder, we will pay to you (i) an amount equal to one-half of one per centum per annum on the principal amount of the first and second instalments of the loan from the date hereof to the closing date on which each such instalment is advanced to us by you and (ii) an amount equal to one-half of one per centum per annum on the principal amount of the third instalment of the loan from the date hereof to the earliest of the following dates: the third closing date, May 1, 1953 or the date on which you shall receive notice from us of our intention not to request advance of the third instalment, which notice we may give you at any time; provided, however, that in the event you shall receive notice from us, prior to February 2, 1953, of our intention not to request advance of the third instalment, we will pay to you an amount equal to one-fourth of one per centum per annum on the principal amount of the third instalment from the date of receipt of said notice to February 2, 1953. The portion of such amounts which shall have accrued on March 3, 1952 shall be paid to you by us on that date, and thereafter the accrued and unpaid balances on the remaining instalments shall be paid on each closing date, or May 1, 1953, as the case may be.

2. The term "Notes" as used herein shall include each promissory note delivered to you pursuant to any provision hereof and each promissory note delivered in substitution or exchange therefor, and, where applicable, shall include

the singular number as well as the plural. The term "Note" shall mean one of the Notes. Each Note shall be printed and substantially in the form of Exhibit A hereto.

3. We represent and warrant that:

(a) The consolidated balance sheets of this Company and its consolidated subsidiaries as at December 31, 1946, 1947, 1948, 1949 and 1950, respectively, and the statements of consolidated profit and loss and of consolidated earned surplus of this Company and such subsidiaries for the fiscal years ended on said dates, including in each case the related schedules and notes, if any, certified by Arthur Andersen & Co., and the consolidated balance sheet of this Company and such subsidiaries as at March 31, 1951, and the statements of consolidated profit and loss and of consolidated earned surplus of the Company and such subsidiaries for the quarter ended on said date, certified by an authorized financial officer of the Company, and all heretofore delivered to you, are correct and complete, have been prepared in accordance with sound accounting practice consistently maintained throughout the periods involved, and truly present the consolidated financial condition and results of operations of this Company and such subsidiaries as at the respective dates of said balance sheets and for such fiscal years and for such quarter.

(b) There has been no material adverse change in the condition, financial or otherwise, of this Company and its consolidated subsidiaries from that set forth in the consolidated balance sheet of this Company and such subsidiaries as at March 31, 1951.

(c) Our net earnings available for fixed charges for the period of five fiscal years ended December 31, 1950, have averaged per year not less than one and one-half times our average annual fixed charges applicable to such period, and, during the fiscal year ended December 31, 1950, our net earnings available for fixed charges were not less than one and one-half times our fixed charges for such year, on a consolidated basis. As used in this subparagraph the terms "net earnings available for fixed charges" and "fixed charges" have the meanings assigned to them in Section 81(2) of the New York Insurance Law.

(d) Exhibit B hereto correctly sets forth (i) a brief statement of the nature of the businesses conducted and proposed to be conducted by this Company and its subsidiaries and (ii) the jurisdictions where such businesses are now conducted or proposed to be conducted.

(e) Exhibit C hereto correctly sets forth (i) a brief description of all real properties now owned by this Company and by each of its restricted subsidiaries, and (ii) a statement as at March 31, 1951 (or, if acquired thereafter, as at the date of acquisition thereof) of the gross book value, book reserve for depreciation and net book value thereof (subdivided into land, buildings and equipment) as at said date and the basis of valuation and the depreciation and amortization policy in respect thereof.

(f) All of the outstanding shares of stock of all classes of each restricted subsidiary of this Company owned by the Company have been validly issued and are fully paid and non-assessable. All of said shares (other than qualifying shares required to be owned by directors) of each restricted subsidiary are directly owned by this Company.

(g) This Company and its subsidiaries, respectively, have good and marketable fee title to all the real properties and good and marketable title to all other property and assets reflected in the consolidated balance sheet of this Company and its consolidated subsidiaries as at December 31, 1950, or purported to have been acquired by this Company or any of its consolidated subsidiaries after said date, excepting, however, property and assets sold or otherwise disposed of in the ordinary course of business subsequent to said date, subject to no mortgages, liens, charges or encumbrances of any nature whatsoever other than minor encumbrances, such as are mentioned in clauses (iv) and (v) of Section 7(b) of Exhibit A hereto, which do not, in our opinion, in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of this Company or of the subsidiary owning the same.

(h) Except as set forth in Exhibit D hereto, there are no actions, suits or proceedings (whether or not purportedly on behalf of this Company or of its restricted subsidiaries or affiliates) pending or, to the knowledge of this Company, threatened against or affecting this Company or any of its restricted subsidiaries, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which involve the possibility of any judgment or liability, not fully covered by insurance, in excess of \$100,000 in any one case or \$200,000 in the aggregate, or which may result in any material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of this Company or any of its restricted subsidiaries; and neither this Company nor any of its restricted subsidiaries is, to the knowledge of any officer of the Company, in default with respect to any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(i) Except as set forth in Exhibit E hereto, the Company and its restricted subsidiaries own, or possess adequate licenses or other rights to use in the United States, all trademarks, trade names, copyrights, and patents necessary to conduct the business in the United States of this Company and such restricted subsidiaries as now operated without notice of conflict with the asserted rights of others.

(j) None of the assets or property reflected in the consolidated balance sheet of this Company and its consolidated subsidiaries as at December 31, 1950, is held by this Company or any of its consolidated subsidiaries as lessee or as conditional vendee under any lease or conditional sales contract.

(k) Except as set forth in Exhibit F hereto, neither this Company nor any of its restricted subsidiaries is a party to any agreement or instrument or subject to any charter or other corporate restriction materially and adversely affecting, in our opinion, the business, property or assets, operations or condition, financial or otherwise, of this Company or any of its restricted subsidiaries.

(l) Neither the execution and delivery of this loan agreement, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof nor compliance with the terms and provisions hereof and of the Notes will conflict with or result in a breach of any of the terms, conditions or pro-

visions of any agreement or instrument to which this Company or any of its subsidiaries is now a party, or constitute a default thereunder, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of this Company or any of its subsidiaries pursuant to the terms of any such agreement or instrument.

(m) Since December 31, 1950, the business, properties and assets of this Company and its restricted subsidiaries have not been materially and adversely affected in any way as the result of any fire, explosion, earthquake, accident, strike, lockout, requisition or taking of property by the United States or any agency thereof, flood, drought, embargo, riot, activities of armed forces, or acts of God or the public enemy.

(n) The execution and delivery of this loan agreement and the Notes, and the due observance and performance by this Company of all covenants, conditions and agreements on the part of the Company contained in this loan agreement and the Notes, have been duly authorized and approved by the Attorney General pursuant to the powers granted to the Attorney General under the provisions of the Trading with the Enemy Act, as amended, and all executive orders, vesting orders, regulations, rulings and authorizations validly issued thereunder. A true copy of the authorization of the Attorney General will be kept on file at the principal office of this Company and will be made available for inspection by any holder or prospective holder of the Notes.

(o) Neither the execution and delivery of this loan agreement nor the consummation of the transactions herein provided for will violate any provision of Regulation X of the Federal Reserve Board promulgated under the Defense Production Act of 1950 or any other applicable Federal regulation in respect of the extension of credit.

4(a). We will deliver to you, in duplicate, so long as you shall hold any Note, and we will make available at our office in New York, New York, for inspection by any other holder of a Note:

(i) within 45 days after the end of each of the first three quarterly periods in each fiscal year, consolidated statements of profit and loss and of earned surplus of this Company and its consolidated subsidiaries for that period, and a consolidated balance sheet of this Company and its consolidated subsidiaries as at the end of that period, setting forth in each case in comparative form the corresponding figures for the corresponding period of the preceding fiscal year, all in reasonable detail and certified by an authorized financial officer of this Company, subject, however, to year-end audit adjustments;

(ii) within 120 days after the end of each fiscal year, consolidated statements of profit and loss and of earned surplus of this Company and its consolidated subsidiaries for such year, and a consolidated balance sheet of this Company and its consolidated subsidiaries as at the end of such year, setting forth in each case in comparative form the corresponding figures of the previous annual audit, all in reasonable detail and accompanied by a report of independent public accountants of recognized standing selected by us;

(iii) during any period when this Company shall have one or more subsidiaries, the accounts of which are not included in the financial statements described in the preceding clause (ii), at the time prescribed in the said clause (ii), financial statements of the character and for the periods specified in said clause (ii), certified as therein provided, covering the operations and financial condition of each such subsidiary;

(iv) within 120 days after the end of each fiscal year, a certificate signed by an authorized officer of this Company stating (1) that a review of the activities of this Company and its subsidiaries during such year has been made under his supervision with a view to determining whether this Company has kept, observed, performed and fulfilled all its obligations under this loan agreement and the Notes, (2) that to the best of his knowledge this Company has kept, observed, performed and fulfilled each and every covenant and condition herein and in the Notes contained and is not at the time in default in the performance, observance or fulfillment of any of the covenants and conditions hereof or of the Notes, and (3) that none of the events of default specified in the Notes has occurred or, if this Company shall be so in default or if any of such events of default shall have occurred, specifying all such defaults and events of default and the nature and status thereof;

(v) promptly upon receipt thereof, copies of all detailed reports, if any, submitted to this Company by independent public accountants in connection with each annual or interim audit of its books or the books of its subsidiaries; and

(vi) promptly upon their becoming available,

(1) copies of all financial statements and reports which this Company or any of its subsidiaries shall send to its stockholders; and

(2) copies of all regular and periodical financial reports, if any, which this Company or any of its subsidiaries shall file with the Securities and Exchange Commission, or any governmental agency or agencies substituted therefor, or any similar or corresponding governmental department, commission, board, bureau or agency, federal or state, or with any national securities exchange.

(b) We will furnish to you such other reasonable information which might be helpful to you in evaluating your investment in the Notes, as you may, from time to time, request.

It is understood that information supplied to or obtained by you pursuant to this paragraph 4 or the next succeeding paragraph 5 is, to the extent not a matter of public record, confidential and not to be divulged by you.

5. So long as you shall hold the Notes, you may visit and inspect any of the properties of this Company or its subsidiaries, examine its books of account and the books of account of its subsidiaries, and discuss the affairs, finances and accounts of this Company and its subsidiaries with its and their officers, all at such reasonable times and as often as you may desire.

6. You represent that you are acquiring the Notes for your own account for investment and not with a view to sale, nor with any present intention of selling the

Notes, but subject, nevertheless, to any requirement of law that the disposition of your property shall at all times be within your control. We represent that we have not, either directly or through any agent, offered the Notes to, or solicited any offers to acquire the Notes from, or otherwise approached or negotiated or communicated in respect of the Notes with, any person or persons other than you.

7. Your obligation to advance the first instalment of the loan, as provided in paragraph 1 hereof, shall be subject to the performance by us of all our agreements theretofore to be performed hereunder and to the accuracy of our representations and warranties herein contained and to the satisfaction, prior to or concurrently with the advancing of such first instalment, of the following further conditions:

(a) At the time of such advance, you shall receive from Messrs. Fulton, Walter & Halley, who are acting as special counsel for you in connection with the transactions herein contemplated, a favorable opinion, in form and substance satisfactory to you,

(i) to the effect that this Company is a duly organized and existing corporation in good standing under the laws of its state of incorporation and has the power and authority to own its properties and to carry on its business as now conducted;

(ii) to the effect that this loan agreement has been duly authorized, executed and delivered by this Company and constitutes the legal, valid and binding obligation of this Company enforceable in accordance with its terms;

(iii) to the effect that the Note evidencing the first instalment has been duly authorized, executed and delivered by this Company and constitutes the legal, valid and binding obligation of this Company enforceable in accordance with its terms;

(iv) to the effect (1) that it is not necessary in connection with the making and delivery to you of the Note evidencing the first instalment, under the circumstances contemplated by this loan agreement, to register such Note under the Securities Act of 1933, as amended and as then in effect, or to qualify an indenture in respect thereof under the Trust Indenture Act of 1939, as then in effect, or, in the event that it is necessary to so register or qualify, that such Note has been duly registered or qualified, and (2) that if you should in the future deem it expedient to sell such Note, which you do not now contemplate or foresee, such sale would be an exempted transaction under said Securities Act and would not of itself require registration of such Note under said Securities Act, provided you do not at the time of such sale directly or indirectly control this Company and are not then directly or indirectly controlled by or under direct or indirect common control with this Company;

(v) to the effect that the Company has obtained all authorizations and approvals required by law to authorize, execute and deliver this loan agreement and the Note evidencing the first instalment;

(vi) to the effect that the legal opinions and evidence of title referred to in subparagraphs (b) and (c) of this paragraph are satisfactory in form and substance to said counsel and that in their opinion you are justified in relying thereon; and

(vii) as to such other legal matters incident to the transactions contemplated by this loan agreement as you may reasonably desire.

(b) At the time of such advance, you shall receive at our expense from Messrs. Steptoe & Johnson, counsel for this Company, an opinion in form and substance satisfactory to you and your special counsel,

(i) as to all matters specified in subdivisions (i), (ii), (iii), (iv), (v) and (vii) of subparagraph (a) of this paragraph;

(ii) to the effect that each restricted subsidiary of the Company is a corporation duly organized and existing and in good standing under the laws of the state of its incorporation, and to the effect that the Company and its restricted subsidiaries are each duly qualified as foreign corporations in each state wherein such qualification is necessary;

(iii) to the effect that the shares of stock of any restricted subsidiaries of this Company owned by this Company are validly issued, fully-paid and non-assessible;

(iv) to the effect that the legal opinions and other evidence of title referred to in subparagraph (c) of this paragraph, to the extent that any such opinions are not rendered by said counsel, are satisfactory in form and substance to said counsel and that in their opinion you are justified in relying thereon;

(v) to the effect that the execution and delivery of this loan agreement and the Note evidencing the first instalment, and the due observance and performance by this Company of all covenants, conditions and agreements on the part of the Company contained in this loan agreement and such Note, have been duly authorized and approved by the Attorney General pursuant to the powers granted to the Attorney General under the provisions of the Trading with the Enemy Act, as amended, and all executive orders, vesting orders, regulations, rulings and authorizations validly issued thereunder; and

(vi) as to the adequacy of the remedies available to the holder of the Note evidencing the first instalment to enforce such Note whenever the same shall become due and payable, whether at the stated date of maturity or by acceleration upon the occurrence of an event of default, notwithstanding the applicability to this Company or to any stock or assets of this Company, of any provisions of the Trading with the Enemy Act, as amended, or any executive order, vesting order, regulation, ruling or authorization which may be validly issued thereunder.

(c) At the time of such advance, you shall receive at our expense legal opinions or other evidence, in form and substance satisfactory to you and your special counsel, covering the right, title and interest of this Company and its restricted subsidiaries in and to their respective real properties.

(d) At the time of such advance, you shall receive from patent and trademark counsel, acceptable to you and your special counsel, an opinion in form and substance satisfactory to you and your special counsel, concerning the matters set forth in subparagraph (i) of paragraph (3) hereof.

(e) This Company shall not have taken or suffered to be taken any action which it would have been prohibited from taking or suffering to be taken, and shall not have omitted, or permitted the omission of, any action which it would have been required to take or cause to be taken, if the Notes in the form contemplated by this loan agreement had at all times since the date hereof been binding and effective instruments; and we shall have delivered to you on the first closing date a certificate signed by an authorized officer of this Company to such effect.

(f) The representations and warranties in paragraphs 3 and 6 hereof shall be true on and as of the first closing date with the same effect as though such representations and warranties had been made on and as of the first closing date; and we shall have delivered to you on the first closing date a certificate signed by an authorized officer of this Company to such effect.

(g) At the time of such advance, you shall have the right, under the laws of the State of New York, to make such advance and to acquire, as a legal investment under said laws, the Note evidencing such instalment.

(h) All proceedings to be taken in connection with the transactions contemplated by this loan agreement, and all documents incident thereto, shall be satisfactory in form and substance to you and your special counsel; and you shall have received copies of all documents which you and your special counsel may reasonably request in connection with said transactions and of all corporate proceedings in connection therewith in form and substance satisfactory to you and your special counsel.

8. Your obligation to advance the second instalment and the third instalment, if any, of the loan, as provided in paragraph 1 hereof, shall be subject to the performance by us of all of our agreements theretofore to be performed hereunder and to the accuracy of our representations and warranties herein contained, and to the satisfaction, prior to or concurrently with the advancing of such second or third instalments, as the case may be, of the following further conditions:

(a) At the time of such advance, you shall receive from your special counsel an opinion in form and substance satisfactory to you, as to all matters specified in clauses (i), (iii), (iv), (v), (vi) and (vii) of subparagraph (a) of paragraph 7 hereof (subject to such changes as may be appropriate to make such opinion applicable to the Note evidencing such instalment and to the opinion referred to in subparagraph (b) of this paragraph 8).

(b) At the time of such advance, you shall receive at our expense from Messrs. Steptoe & Johnson an opinion in form and substance satisfactory to you and your special counsel as to all matters specified in subparagraph (b) of paragraph 7 hereof (subject to such changes as may be appropriate to make such opinion applicable to the Note evidencing such instalment).

(c) The representations and warranties of this Company in paragraphs 3 and 6 hereof shall be true on and as of the second or third closing date, as the case may be, with the same effect as though such representations and warranties had been made on and as of such closing date; and this Company shall have delivered to you on such closing date a certificate signed by an authorized officer of this Company to such effect.

(d) On such closing date you shall have the right, under the laws of the State of New York, to make such advance and to acquire, as a legal investment under said laws, the Note evidencing such instalment.

(e) On such closing date no default under this agreement or event of default or event which with lapse of time or notice, or both, would become an event of default under any Note shall exist; and this Company shall have delivered to you on such closing date a certificate signed by an authorized officer of this Company to such effect.

9. Our obligation to take the first and second instalments, and the third instalment, if any, of the loan shall be subject to the performance by you of all of your agreements thereto for to be performed hereunder and to the further condition that your representations in paragraph 6 hereof shall be true on and as of the first, second or third closing date, as the case may be, with the same effect as though such representations had been made on and as of such closing date.

10. We will promptly and punctually pay the principal of, and interest (calculated on a 360-day year of twelve 30-day months) on, any Note so long as it is held by you without any presentment of such Note and without any notation of such payment being made on such Note.

In connection with the making of any payment of principal of any Note, you will make such Note available to this Company at any time during your regular business hours on the day such payment of principal is due, if we shall have so requested at least 15 days prior to such day, for the purpose of permitting this Company to make appropriate notation, to the extent not theretofore made, thereon of the amount of principal paid thereon. If we shall not make appropriate notation of any payment of principal on any Note held by you at the time such payment is made, you will promptly at our request make such notation.

In the event you shall sell any Note you will notify this Company of such sale and of the name and address of the transferee of such Note and you will, prior to the delivery of such Note, make a notation on such Note of the date to which interest has been paid on such Note and, if not theretofore made, a notation on such Note of the extent to which any payment has been made on account of the principal thereof.

11. Whether or not the loan herein contemplated shall be consummated, we will reimburse you for any reasonable out-of-pocket expenses incurred by you in connection with the transactions herein contemplated, including, but not limited to, charges and disbursements of your special counsel for all services required of them incident to the transactions herein contemplated and we will pay, and save you harmless from, any and all liabilities with respect to, or resulting from any delay in paying, stamp and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of the Notes or any modifications thereof. The obligations of this Company under this paragraph shall survive the payment of the Notes.

12. The terms as used herein shall be deemed to have the respective meanings assigned to them in the form of Note annexed hereto as Exhibit A.

13. All covenants, agreements, representations and warranties made herein and in certificates delivered pursuant hereto shall survive the making by you of the loan herein contemplated and the execution and delivery to you of the Notes evidencing such loan and shall continue in full force and effect so long as any Note is outstanding and unpaid. Whenever in this loan agreement either of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements in this loan agreement contained by or on behalf of this Company, or by or on behalf of you, shall bind and inure to the benefit of the respective successors and assigns of such party hereto; provided, however, that the provisions of paragraph 5 hereof shall not inure to the benefit of any assignee of this loan agreement other than a lending or other financial institution.

14. So long as you shall be the holder of any of the Notes, or any portion of our note issued under the loan agreement dated July 10, 1947, between you and us (hereinafter called the 1947 note and the 1947 agreement, respectively), upon your written request, we will at our expense, as promptly as is reasonably possible, execute and deliver to a bank or trust company satisfactory to you an indenture providing for the issuance of, and will issue thereunder and deliver to you and any other holders of the Notes and the 1947 note (a) in exchange for the 1947 note a series of debentures (hereinafter called Series A debentures) equal to the unpaid principal amount of the 1947 note, and (b) in exchange for the Notes, a series of debentures (hereinafter called Series B debentures) equal to the unpaid principal amount of the Notes. The aggregate principal amount, interest rate, date of maturity and sinking fund payments of the Series A and Series B debentures, respectively, shall correspond with the unpaid principal amount, interest rate, date of maturity and prepayment provisions of the 1947 agreement and the 1947 note in the case of the Series A debentures, and of this agreement and of the Notes in the case of the Series B debentures. Such indenture and the debentures issued thereunder shall, insofar as may be appropriate and except as otherwise provided with respect to the Series A and Series B debentures, respectively embody, in form satisfactory to you and to your counsel, the substance of all of the terms, covenants, conditions and provisions hereof and of the Notes, together with such formal provisions (not inconsistent therewith) as customarily appear in indentures securing corporate debentures and in corporate debentures. If at the time of the issue of debentures pursuant to this paragraph, the provisions of the Trust Indenture Act of 1939, as then in force, or of any similar Federal statute then in force, shall require the qualification of said indenture thereunder, or if the provisions of the Securities Act of 1933, as then in force, or of any similar Federal statute then in force, shall require registration of such debentures thereunder, we will, if requested by you in writing, use our best efforts so to qualify said indenture and/or to register said debentures. The foregoing covenants of this paragraph 14 are subject to the provision that, in lieu of such execution and delivery of such indenture and of debentures thereunder, or of such qualification of such indenture or such registration of such debentures, we may, within 120 days after the receipt of such written notice, elect to prepay, with premium, the unpaid principal amount of the Notes and of the 1947 note, within 30 days thereafter, in the manner provided in Sections 3 and 4 of Exhibit A hereto, and in Sections 2 and 3 of Exhibit A to the 1947 agreement, respectively. From and after the issuance of debentures pursuant to this paragraph 14, the term "Note" as used herein shall be construed as includ-

ing all such debentures issued in exchange for the Notes at the time outstanding, and such term as used in the 1947 agreement shall be construed as including all such debentures issued in exchange for the 1947 note at the time outstanding.

15. All communications provided for hereunder or under the Notes shall be in writing and, if to you, mailed or delivered to you addressed as this loan agreement is addressed, or if to us, mailed or delivered to us at our office at New York, New York, or at any other office that we may hereafter designate by written notice to you.

16. This loan agreement shall be governed by and construed in accordance with the laws of the State of New York. This loan agreement cannot be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Upon your signing the form of acceptance on the enclosed counterpart of this loan agreement and returning such counterpart to us, this loan agreement shall become a binding agreement between you and this Company.

Very truly yours,

GENERAL ANILINE & FILM CORPORATION
 HLA
 DOL By C. P. WAGNER
 Vice President

The foregoing agreement is hereby accepted.

METROPOLITAN LIFE INSURANCE COMPANY

By ... H. HUGH McCONNELL
 THIRD VICE PRESIDENT

By ... GREENE F. JOHNSON
 ASST. GENERAL COUNSEL

EXHIBIT A

New York, New York

\$.....

....., 19 ..

GENERAL ANILINE & FILM CORPORATION (herein called the Company), a corporation duly organized and existing under the laws of the State of Delaware, for value received, hereby promises to pay to or order, on the first day of March, 1972, the principal sum of

Dollars in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the Home Office of Metropolitan Life Insurance Company, in the Borough of Manhattan, the City and State of New York, and to pay interest on the unpaid portion of said principal sum from the date hereof at said Office, in like coin or currency, semi-annually on the first day of September and the first day of March in each year, at the rate of three and one-half per centum (3.50%) per annum until such unpaid portion of such principal sum shall have become due and payable and at the rate of six per centum (6%) per annum thereafter and, so far as may be lawful, to pay interest on any overdue instalment of interest at the rate of six per centum (6%) per annum at said Office in like coin or currency.

1. This Note is one of several Notes (hereinafter called the Notes) made or to be made by the Company in the aggregate principal amount of not in excess of \$20,000,000. All the Notes mature on March 1, 1972, and bear interest payable at the same rate and on the same semi-annual dates as the interest on the principal sum of this Note.

2. The Company covenants and agrees that on March 1 of each year, commencing March 1, 1957, it will prepay a principal amount of this Note (to the next highest multiple of \$1,000) equal to the percentage set forth below of the original principal amount:

Year	Percentage of original principal amount
1957 to 1960, both inclusive.....	2½%
1961 to 1964, both inclusive.....	5%
1965 to 1971, both inclusive.....	6¼%

The Company shall give notice of each prepayment of this Note pursuant to this Section 2 as in Section 4 hereof provided.

3(a). In addition to the prepayments required by Section 2 hereof, upon notice given as provided in Section 4 hereof, the Company at its option may call for prepayment and prepay the Notes in whole or in part (in principal amounts constituting a multiple of \$25,000 and aggregating at least \$100,000), at any time at the following respective percentages of the principal amount thereof or of such portion thereof so called for prepayment, together with the interest accrued on such principal amount or on such portion thereof to the date fixed for prepayment by such notice:

- 104% if prepaid on or before March 1, 1957;
- 103% if prepaid thereafter and on or before March 1, 1962;
- 102% if prepaid thereafter and on or before March 1, 1967;
- 101% if prepaid thereafter and on or before March 1, 1971;
- 100% if prepaid thereafter;

provided, however, that the said percentages shall, in lieu of being as hereinabove in this Section provided, be 100%, if (A) the Notes are prepaid preparatory to and in connection with, or within a period of twelve (12) months immediately following, the sale, release, disposal, or other relinquishment by the United States of America and all officers, agents, departments, bureaus, boards, agencies and instrumentalities thereof, of all right, title and interest, and purported right, title and interest, in or to more than 95% of the outstanding shares of capital stock of all classes of the Company vested in or held by the United States Government or its representatives, and (B) such prepayment, together with the prepayment of the 1947 note required by subsection (b) of this Section, is effected solely through the application of cash proceeds aggregating \$20,000,000 or more derived from the sale by the Company of assets, or of shares of its capital stock of any class, preparatory to and in connection with, or within a period of twelve (12) months immediately following, the event above mentioned.

(b) In the event of a prepayment pursuant to Section 3 hereof, the Company shall prepay simultaneously therewith an amount of the Company's note issued under the loan agreement dated July 10, 1947, between the Company and the Metropolitan Life Insurance Company (herein called the 1947 note), which bears the same proportion to the amount of the 1947 note unpaid prior thereto as the amount of the Notes so prepaid pursuant to Section 3 hereof bears to the amount of the Notes unpaid prior thereto.

4. Any call for prepayment of this Note or any portion hereof shall be made by giving written notice not less than thirty (30) nor more than sixty (60) days prior to the date fixed for such prepayment. Such written notice shall be accompanied by a certificate of the Treasurer of the Company to the effect that the Company has called for prepayment simultaneously with such prepayment of this Note an amount of the 1947 note which bears the same proportion to the amount of the 1947 note unpaid prior thereto as the amount of the Notes so called for prepayment pursuant to Section 3 hereof bears to the amount of the Notes unpaid prior thereto. The notice of a call for prepayment of this Note or any portion hereof and all other notices to be given to any holder of this Note shall be mailed by registered mail to the payee herein named; provided, however, that if any subsequent holder of this Note shall have presented it to the Company for inspection at the office of the Company in New York, New York, and shall have delivered to the Company written notice of the acquisition by such holder of this Note and designated in writing an address to which notices in respect of this Note shall be mailed, such notices shall be given to such holder at such designated address, instead of to the payee herein named. Upon notice of call for prepayment being given as aforesaid, the Company covenants and agrees that it will prepay on the date therein fixed for prepayment the entire principal amount of this Note or the portion thereof, as the case may be, so called for prepayment at the applicable percentage, hereinabove provided, together with interest accrued thereon to such date fixed for prepayment.

If less than the entire principal amount of all the Notes at the time outstanding shall be called for prepayment at any time, the Company will allocate the principal amount so called for prepayment (but only in units of \$1,000) among the holders of Notes in proportion, as nearly as may be, to the respective principal amounts of such Notes, not theretofore called for prepayment, of which they shall be holders.

5. If this Note or a portion hereof is called for prepayment as herein provided, this Note or such portion shall cease to bear interest from and after the date fixed for such prepayment; provided, however, that if, upon presentation for the purpose, the Company shall fail to pay this Note or such portion, as the case may be, this Note or such portion, as the case may be, shall bear interest, payable semi-annually on the first day of March and the first day of September in each year, at the rate of six per centum (6%) per annum from and after the date fixed for such prepayment.

6. The Company covenants and agrees that, so long as any Note shall be outstanding, it will:

(a) maintain an office or agency in New York, New York, where notices, presentations and demands to or upon the Company in respect of this Note may be given or made;

(b) promptly pay and discharge or cause to be paid and discharged all lawful taxes, assessments, and governmental charges or levies imposed upon the Company or any restricted subsidiary or upon the income and profits of the Company or any restricted subsidiary, or upon any property, real, personal or mixed, belonging to the Company or any restricted subsidiary, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided, however, that the Company shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and the Company or such subsidiary, as the case may be, shall set aside on its books adequate reserves with respect to any such tax, assessment, charge, levy or claim so contested;

(c) do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises and do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence, rights and franchises of each of its restricted subsidiaries, and comply with and cause each restricted subsidiary to comply with all laws applicable to the Company or any such restricted subsidiary as its counsel may advise; provided, however, that nothing in this subsection (c) contained shall prevent a consolidation or merger of, or a sale, transfer or disposition of all or substantially all of the property and assets of, the Company not prohibited by the provisions of Section 7 (f) hereof, or a liquidation or dissolution of, or a sale, transfer or disposition of all or substantially all of the property and assets of, any restricted subsidiary not prohibited by the provisions of Section 7 (c) hereof;

(d) at all times maintain, preserve, protect and keep or cause to be maintained, preserved, protected, and kept its property and the property of its restricted subsidiaries used or useful in the conduct of the business of the Company and its restricted subsidiaries in good repair, working order and condition, and from time to time make, or cause to be made, all needful and proper repairs, renewals, replacements, betterments and improvements thereto, so that the business carried on in connection therewith may be properly and advantageously conducted at all times;

(e) set up on its books from its earnings, and cause each of its restricted subsidiaries to set up on the books of such subsidiary from the earnings thereof, during the fiscal year ending on December 31, 1951, and during each fiscal year thereafter, (A) adequate reserves for renewals and replacements, obsolescence and depreciation during each year and (B) reserves for all other proper charges against income;

(f) keep adequately insured, and cause each of its restricted subsidiaries to keep adequately insured, by solvent insurers, all property of a character usually insured by corporations engaged in the same or a similar business similarly situated against loss or damage of the kinds customarily insured against by such corporations, and carry, and cause each of its restricted subsidiaries to carry, such other insurance as is usually carried by corporations engaged in the same or a similar business similarly situated; and

(g) at all times keep, and cause each of its restricted subsidiaries to keep, true and complete books of record and accounts.

7. The Company covenants and agrees that so long as any Note shall be outstanding:

(a) The Company will not itself, and it will not permit any restricted subsidiary to, incur, create, assume, guarantee (whether by discount or otherwise) or in any manner become liable in respect of any indebtedness except the following:

(i) in the case of the Company and any restricted subsidiary, (A) liabilities in respect of taxes, assessments and governmental charges or levies and claims for labor, materials and supplies, as and to the extent permitted to remain unpaid and undischarged by Section 6 (b) hereof, and (B) indebtedness secured by mortgages, liens or pledges specifically permitted by subsection (b) of this Section;

(ii) in the case of the Company, (A) unsecured current liabilities, and (B) unsecured funded indebtedness, but only if after giving effect thereto, the following conditions shall be fulfilled, namely: (1) the consolidated funded indebtedness of the Company and its restricted subsidiaries then outstanding will not exceed the sum of \$45,000,000, (2) the consolidated net working capital of the Company and its restricted subsidiaries will be not less than \$50,000,000 and will also be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, and (3) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries; and

(iii) in the case of any restricted subsidiary, (A) unsecured current liabilities incurred in the ordinary course of business (not as the result of borrowing) and not evidenced by any note or other evidence of indebtedness, and (B) indebtedness to the Company or to any wholly-owned restricted subsidiary.

(b) The Company will not itself, and it will not permit any restricted subsidiary to, create or incur or suffer to be created or incurred or to exist any mortgage, lien, charge or encumbrance of any kind (except as permitted by

Section 6 (b) hereof) on, or pledge of, and will not, whether by transfer to any subsidiary or otherwise, subject or permit any restricted subsidiary to subject to the prior payment of any indebtedness other than that represented by the Notes, any property or assets, real or personal, tangible or intangible, of the Company or any restricted subsidiary, or own or acquire or agree to acquire any property of any character subject to or upon chattel mortgage or conditional sales agreement or other title retention agreement; provided, however, that the foregoing restrictions shall not prevent

(i) the Company or any restricted subsidiary from creating or incurring or suffering to exist purchase money mortgages or other purchase money liens upon any real property purchased by the Company or such restricted subsidiary after June 1, 1951, or from acquiring real property after June 1, 1951 subject to mortgages and liens existing thereon at the date of acquisition, or from owning or acquiring or agreeing to acquire property subject to or upon chattel mortgages, conditional sales agreements or other title retention agreements, provided that (A) the principal amount of the indebtedness secured by each such mortgage or lien shall not exceed $66\frac{2}{3}\%$ of the cost or fair value at the time of the acquisition thereof by the Company or such restricted subsidiary, whichever is less, to the Company or such restricted subsidiary, as the case may be, of the property subject thereto, (B) each such mortgage or lien shall expressly provide that it shall apply only to the property originally subject thereto and fixed improvements erected thereon, (C) the aggregate principal amount of all indebtedness of the Company and all its restricted subsidiaries at the time outstanding secured by mortgages and liens upon such property (including extensions, renewals and replacements thereof, as permitted by clause (ii) of this subsection, and also including the indebtedness then being incurred, but excluding indebtedness owing to the Company or any wholly-owned restricted subsidiary), plus the aggregate amount due or to become due in respect of the purchase price of property acquired or agreed to be acquired subject to or upon chattel mortgages, conditional sales agreements or other title retention agreements (including each chattel mortgage, conditional sales agreement or other title retention agreement then being made), shall not exceed \$3,000,000, and (D) after giving effect to all indebtedness of the Company and all its restricted subsidiaries at the time outstanding, including the indebtedness defined in (C) above, the conditions specified in subdivisions (1) (2) and (3) of paragraph 7 (a) (ii) hereof shall be fulfilled; or

(ii) the Company or any restricted subsidiary from extending, renewing or replacing any purchase money mortgage or other purchase money lien on real property permitted by the preceding clause (i) upon the same property theretofore subject thereto, or replacing, renewing or extending the indebtedness secured thereby, provided that in any such case the principal amount of such indebtedness so replaced, extended or renewed shall not be increased; or

(iii) any restricted subsidiary from mortgaging or pledging all or any part of its property and assets to the Company or to one or more wholly-owned restricted subsidiaries as security for indebtedness owing to the Company or to such restricted subsidiaries; or

(iv) the Company or any restricted subsidiary (A) from making pledges or deposits under workmen's compensation laws or similar legislation or good faith deposits in connection with bids, tenders, contracts (other than for the payment of money) or leases to which the Company or such restricted subsidiary is a party, or deposits to secure public or statutory obligations of the Company or such restricted subsidiary, or deposits to secure surety and appeal bonds to which the Company or such restricted subsidiary is a party, or (B) from incurring liens imposed by law, such as carriers', warehousemen's, mechanics', material-men's and vendors' liens, and liens arising out of judgments or awards against the Company or any restricted subsidiary with respect to which the Company or such restricted subsidiary at the time shall currently be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; or

(v) the creation or existence of liens for property taxes not yet subject to penalties for non-payment, or minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which encumbrances, easements, reservations, rights and restrictions do not, in the opinion of the Company, in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of the Company and its restricted subsidiaries.

(c) The Company will not cause, suffer or permit any restricted subsidiary to

(i) issue or dispose of any shares of its capital stock to any person other than the Company, or to one or more wholly-owned restricted subsidiaries, except to the extent, if any, required to qualify directors under any applicable law or required to be issued to other stockholders of such restricted subsidiary by virtue of their exercise of preemptive rights or required to be issued to other stockholders as their pro-rata share of any stock dividend; or

(ii) sell, assign, transfer, dispose of or in any way part with control of any share of capital stock of any other restricted subsidiary owned by it, or any indebtedness owing to it from another restricted subsidiary, except in either case to the Company or to one or more wholly-owned restricted subsidiaries, or except as permitted by the proviso in subsection (d) of this Section; or

(iii) sell, lease, transfer or otherwise dispose of all or substantially all its properties and assets, or consolidate with or merge into any other corporation, or permit another corporation to merge into it, except that (A) any subsidiary (which does not own any shares of capital stock or indebtedness of any other restricted subsidiary) may sell for cash all or substantially all of its property and assets, and (B) any restricted subsidiary may sell, lease, transfer or otherwise dispose of all or any part of its property to, or (subject to the provisions of subsection (f) of this Section) consolidate with or merge into, the Company or another restricted subsidiary or permit the Company to merge into it; or

(iv) acquire any stock of any other corporation which the Company would not have been permitted to acquire under the provisions of subsection (d) (iii) of this Section.

(d) The Company will not

(i) sell, assign, transfer, dispose of, or in any way part with control of, any share of capital stock of any restricted subsidiary except to the extent, if any, required to qualify directors of such restricted subsidiary under any applicable law or except to effect dissolution of such restricted subsidiary;

(ii) sell, assign, transfer, dispose of, or in any way part with control of, any indebtedness owing from any restricted subsidiary to the Company;

(iii) acquire, directly or indirectly, any capital stock of any other corporation, if such other corporation immediately after such acquisition will be a restricted subsidiary, unless all outstanding capital stock of such other corporation having any preference over any capital stock of such other corporation owned or acquired by the Company will thereafter be owned by the Company;

provided, however, that all shares of capital stock of all classes, together with all indebtedness, of any restricted subsidiary owned by the Company and its other subsidiaries may be sold, as an entirety, for any adequate consideration (subject to the limitations of clause (iii) above) if the subsidiary whose shares of capital stock and indebtedness are so sold does not own any shares of capital stock or indebtedness of any other restricted subsidiary not being simultaneously disposed of as permitted by this proviso; and provided further that, for the purposes of clause (iii) of this subsection (d) and of subsections (a) and (b) of this Section, indebtedness (other than indebtedness of the character described in item (A) of clause (i) and in clause (iii) of subsection (a) of this Section) of a corporation becoming a restricted subsidiary shall be deemed to be purchase money indebtedness incurred immediately prior to such corporation's becoming a restricted subsidiary and mortgages and liens existing on property of a corporation becoming a restricted subsidiary shall be deemed to be purchase money mortgages or purchase money liens.

(e) The Company will not declare or pay any dividends (other than dividends payable in capital stock of the Company) on any shares of any class of its capital stock or apply any of its property or assets to the purchase, redemption or other retirement of, or set apart any sum for the payment of any dividends on, or for the purchase, redemption or other retirement of, or make any other distribution, by reduction of capital or otherwise, in respect of, or permit any subsidiary to purchase, any shares of any class of capital stock of the Company, or make, or permit any restricted subsidiary to make, in any manner described in subsection (g) of this Section 7 hereof, any investment subsequent to June 1, 1951 in any unrestricted subsidiary, unless after giving effect to such action, the following conditions shall be fulfilled, namely,

(i) the sum of

(A) the amounts declared and paid or payable as dividends (other than dividends paid or payable in capital stock of the Company) on all shares of stock of all classes of the Company or dis-

tributed in respect of such shares of stock subsequent to December 31, 1950,

(B) the excess of the amounts applied to, or set apart for the purchase (including purchases by subsidiaries), redemption or retirement of shares of stock of all classes of the Company subsequent to December 31, 1950 over the net cash proceeds of sales of shares of stock of the Company subsequent to December 31, 1950, and

(C) the excess of the then aggregate amount of all investments (as such term is used in subsection (g) of this Section 7) made by the Company or any restricted subsidiary subsequent to June 1, 1951, in unrestricted subsidiaries, over \$5,000,000,

will not be in excess of \$1,000,000 plus 80% of the consolidated net income of the Company and its restricted subsidiaries accrued subsequent to December 31, 1950;

(ii) the consolidated net working capital of the Company and its restricted subsidiaries will be not less than \$50,000,000 and also will be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries; and

(iii) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries.

(f) The Company will not sell, lease, transfer or otherwise dispose of all or substantially all its properties and assets, or consolidate with or merge into any other corporation, or permit another corporation to merge into it, unless

(i) such other corporation shall not have outstanding immediately prior to such sale, lease, transfer, disposition, consolidation or merger (1) any mortgage, lien or pledge other than mortgages, liens and pledges of the character which such other corporation would have been permitted to create, assume or incur under and in conformity with the terms and conditions of this Section if it had, at the time of such creation, assumption or incurring, been a restricted subsidiary, or (2) any indebtedness which the Company would not then be permitted to incur, create or assume under the provisions of this Note;

(ii) the obligations of the Company under the Notes shall be expressly assumed by such successor corporation (if such successor corporation shall not be the Company), transferee or lessee;

(iii) such successor corporation, transferee or lessee shall be a corporation incorporated within the continental limits of the United States of America; and

(iv) such successor corporation shall thereupon be entitled to pay a dividend in some amount within the limitations prescribed in Section 7 (e) hereof.

(g) Neither the Company nor any restricted subsidiary will make any investment in any unrestricted subsidiary whether by acquisition of stock or

indebtedness, or by loan, advance, transfer of property, capital contribution, or otherwise, or purchase any stock of any corporation which upon the purchase thereof will become an unrestricted subsidiary unless, after giving effect thereto, the following conditions shall be fulfilled, namely: (i) the consolidated net working capital of the Company and its restricted subsidiaries will be not less than \$50,000,000 and also will be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, (ii) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, and (iii) the then aggregate amount of all investments of the Company and its restricted subsidiaries in unrestricted subsidiaries, whether by acquisition of stock or indebtedness, or by loan, advance, transfer of property, capital contribution, or otherwise, will not exceed the sum of \$5,000,000 plus any further amount which would at the time be available to the Company for the payment of dividends in accordance with the provisions of Section 7 (e) hereof.

(h) Neither the Company nor any restricted subsidiary will become or be a party as lessee under any lease of real or personal property having a term (including terms of renewal at the option of the lessor, whether or not such lease has theretofore been renewed) of more than five years if, thereafter, the aggregate amount of rentals accrued and to accrue under all such leases of the Company and its restricted subsidiaries will exceed \$200,000 in any period of twelve consecutive months.

8. For the purpose of this Note:

(a) The term "corporation" shall include corporations, associations, companies and business trusts.

(b) The term "voting stock" of a corporation shall mean stock at the time entitling the holders thereof to elect a majority of the board of directors, managers or trustees of such corporation.

(c) The term "subsidiary" shall mean any corporation more than 50% of the voting stock of which at the time is owned or controlled directly or indirectly by the Company and/or by one or more subsidiaries. The term "restricted subsidiary" shall mean any subsidiary other than a subsidiary which (i) does not own or control directly or indirectly any shares of stock of a restricted subsidiary, and (ii) either (A) is determined, by resolution of the Board of Directors of the Company adopted not more than 30 days after the date upon which such corporation became a subsidiary, not to be a restricted subsidiary, such determination to be effective as of the time such corporation became a subsidiary, or (B) is incorporated under the laws of a jurisdiction not within the continental limits of the United States or the Dominion of Canada and has substantially all its properties and carries on substantially all its business outside the continental limits of the United States and the Dominion of Canada. The term "unrestricted subsidiary" shall mean any subsidiary which is not a restricted subsidiary. The term "wholly-owned restricted subsidiary" shall mean any restricted subsidiary all the outstanding shares of stock of all classes of which (other than qualifying shares required to be owned by directors) are at the time owned directly by the Company.

(d) The term "indebtedness" shall mean and include (i) all items of indebtedness which in accordance with sound accounting practice would be included in determining total liabilities as shown on the liability side of a balance sheet as at the date as of which indebtedness is to be determined, (ii) indebtedness secured by any mortgage, pledge or lien, existing on property owned subject to such mortgage, pledge or lien, whether or not the indebtedness secured thereby shall have been assumed and (iii) guaranties, endorsements and other contingent obligations in respect of, or to purchase or otherwise acquire, indebtedness of others; provided, however, that the term "indebtedness" shall not include any prepaid indebtedness.

(e) The term "funded indebtedness" shall mean all indebtedness other than current liabilities.

(f) The term "consolidated net income of the Company and its restricted subsidiaries" shall mean the aggregate of the net income of the Company and its restricted subsidiaries after eliminating all offsetting debits and credits between the Company and its restricted subsidiaries and portions of earnings properly attributable to minority interests, if any, in common stocks of restricted subsidiaries, and after making provision for dividends accrued on preferred stock, if any, of restricted subsidiaries not owned by the Company or by another restricted subsidiary, all computed in accordance with sound accounting practice. The term "net income" of any corporation for any period shall mean the net income (or the net deficit, if expenses and charges exceed revenues and other proper income credits) of such corporation for such period, determined in the following manner:

(A) The gross revenues and other proper income credits of such corporation shall be computed for such period in accordance with sound accounting practice, provided that in any event there shall not be included in such gross revenues and income credits any of the following items: (1) any gain arising from any sale of capital assets, except in the regular course of business, or from the acquisition or retirement or sale of securities of such corporation or any subsidiary of such corporation; or (2) any restoration of any contingency reserve to income, except to the extent of amounts restored to income to offset extraordinary losses or charges against income arising out of the contingency for which such reserve was established, and except to the extent that provision for such contingency reserve was made out of income accrued subsequent to December 31, 1950.

(B) From the amount of such gross revenues and other proper income credits for such period determined as provided in the preceding clause (A) there shall be deducted an amount equal to the aggregate of all expenses and other proper income charges (exclusive of losses from the sale or abandonment of capital assets except in the regular course of business) for such period, determined in accordance with sound accounting practice but in any event including (without in any respect limiting the generality of the foregoing) the following items: (1) all interest charges; (2) amortization of debt discount and expense and amortization of all other deferred charges properly subject to amortization; (3) provision for all taxes in respect of property and in respect of income; (4) provision for all contingency reserves, whether general or special; (5) provision for depreciation, depletion, obsolescence and/or amortization.

(g) The term "consolidated current assets", to the extent permitted by and in all cases as determined in accordance with sound accounting practice, shall include, after eliminating intercompany items, (i) cash and cash items on hand or in transit or on deposit in any bank or trust company which has not suspended business; (ii) stocks, bonds and other securities or obligations which are readily marketable, taken at the current market price thereof or at the fair value thereof if there be no such current market price; (iii) good and collectible notes, trade acceptances, accounts and bills receivable; (iv) inventories of merchandise and supplies, all taken on the basis of, and not in excess of, cost or current fair market value, whichever shall be lower; and (v) such other assets as sound accounting practice would include within the term "current assets" in the case of a corporation conducting a business the same as or similar to that of the particular corporation concerned; all after deduction of adequate reserves in each case where a reserve is proper under sound accounting practice.

(h) The terms "current liabilities" and "consolidated current liabilities" shall mean, as of the date of determination thereof and, in the case of consolidated current liabilities, after eliminating intercompany items, all indebtedness maturing on demand or within one year after the date as of which such determination is made, prepayments of indebtedness (including prepayments in respect of the Notes) and fixed sinking fund payments or other prepayments required to be made with respect to any indebtedness within one year after said date, and all other items (including taxes accrued as estimated) which in accordance with sound accounting practice would be included as current liabilities or as consolidated current liabilities, as the case may be.

(i) The term "consolidated net working capital" shall mean the amount by which the consolidated current assets exceed the consolidated current liabilities.

(j) The term "consolidated tangible assets" shall mean and include all tangible assets (less depreciation and other reserves and items deductible under good accounting practice) which under good accounting practice would appear on the assets side of the consolidated balance sheet, excluding patents, trade marks, trade names, licenses, good will, deferred charges, treasury stock and all items treated as intangibles under good accounting practice.

(k) The term "consolidated net tangible assets" shall mean the amount by which the consolidated tangible assets exceed the consolidated current liabilities.

(l) The term "rentals", with respect to and pursuant to the terms of any lease and for any period, shall mean the aggregate amounts payable by the lessee for such period including, without limitation, income taxes, property taxes, insurance and amortization charges which the lessee is required to pay pursuant to such lease. Whenever it is necessary to determine the amount of rentals for any period in the future and to the extent that such rentals are not definitely determinable by the terms of the lease, for the purpose of this definition, all such charges may be estimated in such reasonable amounts as the Board of Directors of the Company or of its subsidiary, as the case may be, may determine.

9. This Note shall become and be due and payable upon demand made by the holder hereof if one or more of the following events, herein called events of default, shall happen and be continuing at the time of such demand or at the time of a demand from the holder of a Note:

(a) Default in the payment of the principal of any Note, with the premium thereon, if any, when and as the same shall become due and payable, whether at maturity or at a date fixed for prepayment or by acceleration or otherwise; or

(b) Default in the payment of any instalment of interest on any Note according to its tenor when and as the same shall become due and payable and such default shall continue for a period of thirty days; or

(c) Default in the due observance or performance of any covenant, condition or agreement on the part of the Company contained in Section 2 or in subsections (a), (b), (e), (f), (g) or (h) of Section 7 hereof; or

(d) Default in the due observance or performance of any other covenant, condition or agreement on the part of the Company to be observed or performed pursuant to the terms hereof and such default shall continue for thirty days after written notice thereof, specifying such default and requesting that the same be remedied, shall have been given to the Company by the holder of any of the Notes; or

(e) The Company or any restricted subsidiary shall be adjudicated a bankrupt or insolvent, or shall consent to the appointment of a receiver, trustee or liquidator of itself or of any of its property, or shall admit in writing its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or a voluntary petition or an answer seeking reorganization in a proceeding under the federal bankruptcy laws (as now or hereafter in effect), or an answer admitting the material allegations of a petition filed against the Company or any restricted subsidiary in any such proceeding, or shall, by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding up of corporations, or the Company or its directors or majority stockholders shall take action looking to the dissolution or liquidation of the Company (except in connection with a consolidation with or a merger of the Company with or into another corporation or a sale, transfer or disposition of all or substantially all of the property and assets of the Company, not prohibited by subsection (f) of Section 7 hereof); or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Company or a restricted subsidiary, a receiver, trustee or liquidator of the Company or such subsidiary or of any substantial part of its or their property, and such receiver, trustee or liquidator shall not have been removed or discharged within ninety days thereafter, or any of the property of the Company or a restricted subsidiary shall be sequestered and shall not be returned to the possession of the Company or such subsidiary within ninety days thereafter; or

(g) A petition against the Company or any restricted subsidiary in a proceeding under the federal bankruptcy laws (as now or hereafter in effect) shall be filed and shall not be dismissed within ninety days after such filing, or, in case the approval of such petition by a court of competent jurisdiction is required, shall be filed and approved by such a court as properly filed and such approval shall not be withdrawn or the proceeding dismissed within ninety days thereafter, or if, under the provisions of any other similar law providing for reorganization or winding up of corporations and which may apply to the Company or any restricted subsidiary, any court of competent jurisdiction shall assume

jurisdiction, custody or control of the Company or such restricted subsidiary or of any of its or their property and such jurisdiction, custody or control shall not be relinquished or terminated within ninety days thereafter; or

(h) Default shall be made in the payment of any instalment of interest, when the same shall become due and payable, on any bond, debenture, note or other evidence of indebtedness (other than the Notes) of, or assumed or guaranteed by, the Company or any restricted subsidiary and such default shall continue for a period of thirty days, or default shall be made in the payment of the principal of any such bond, debenture, note or other evidence of indebtedness when the same shall become due and payable, whether at maturity, by declaration, by call for prepayment, by call for redemption, or otherwise; or

(i) Final judgment for the payment of money in excess of One hundred thousand dollars (\$100,000) shall be rendered against the Company or a restricted subsidiary and the same shall remain undischarged for a period of sixty days during which execution shall not be effectively stayed; or

(j) The United States of America or any officer, agent, department, bureau, board, agency or instrumentality thereof shall, pursuant to the Trading with the Enemy Act, as heretofore or hereafter amended, or any other legislation relating to vested corporations or to the vesting of assets, properties or interests, or any executive order, vesting order, regulation or ruling thereunder, vest or purport to vest, or otherwise assert any right, title or interest in or to, any substantial portion of the assets, properties or interests of the Company or any of its restricted subsidiaries.

10. In case any one or more of the events of default specified in Section 9 of this Note shall happen and be continuing, the holder of this Note may proceed to protect and enforce his rights by suit in equity, action at law and/or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Note or in aid of the exercise of any power granted in this Note, or may proceed to enforce the payment of this Note or to enforce any other legal or equitable right of the holder of this Note.

11. This Note shall be governed by the laws of the State of New York.

12. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

13. No course of dealing between the Company and the holder hereof shall operate as a waiver of any right of any holder hereof and no delay on the part of the holder hereof in exercising any right hereunder shall so operate.

IN WITNESS WHEREOF, General Aniline & Film Corporation has caused this Note to be signed in its corporate name by its President or one of its Vice Presidents and this Note to be dated as of the day and year first above written.

GENERAL ANILINE & FILM CORPORATION

By :
Vice-President

EXHIBIT B

NATURE OF THE COMPANY'S BUSINESS

The Company is principally engaged, and intends to continue to engage, in the manufacture and sale of dyestuffs and chemicals through its General Aniline Works Division, photographic products including films, photographic papers, cameras and accessories through its Ansco Division, dry development white print machines and sensitized materials through its Ozalid Division, and organic pigments through its subsidiary Collway Colors, Inc.

The General Aniline Works Division operates two plants, located near Grasselli, in Linden, New Jersey, and in Rensselaer, New York, and employs approximately 3400 persons. The Ansco Division operates three plants, located at Binghamton, New York, and employs approximately 4400 persons. The Ozalid Division operates its main plant at Johnson City, New York, and plants for coating papers and other materials at Detroit, Michigan, and Oakland, California. It employs approximately 1000 persons. Collway Colors, Inc. operates a plant at Paterson, New Jersey, and employs 21 persons.

In addition to the number of employees above set forth, the Company also employs 378 persons at its Central Research Laboratory, Easton, Pennsylvania, and 140 persons at its principal Executive Offices in New York City.

EXHIBIT C

GENERAL ANILINE & FILM CORPORATION

(1) A brief description of all real property now owned by this Company and each of its restricted subsidiaries.

A. Company

Grasselli Plant

This plant is located on a plot of 105 acres at Linden, New Jersey. It consists of 49 major buildings which occupy 39 acres, the balance of the land (except for 5 acres of ground used for the parking of automobiles) being unimproved. The plant is equipped with apparatus for the manufacture of dyestuffs, dyestuff intermediates and auxiliaries. It also contains iron carbonyl and carbonyl iron powder manufacturing facilities. The buildings, mostly of brick and reinforced concrete construction, contain approximately 1,149,000 square feet of floor area. One building with a floor area of 21,750 square feet is leased to Libby-Owens-Ford Glass Company. The plant has an administration building, containing 32,600 square feet of floor area of brick and steel construction and warehouse space containing approximately 194,500 square feet of floor area. The plant generates all of its own steam requirements and electric power. A salt-water pumping station is located on adjacent land which is occupied under a long-term lease.

Rensselaer Plant

This plant is located on a plot of 52.75 acres at Rensselaer, New York, on the East bank of the Hudson River opposite Albany. It consists of 21 major buildings which occupy approximately 6.1 acres, the balance of the land being unimproved. The plant is equipped with

apparatus similar in nature to that at the Grasselli Plant for the manufacture of dyestuffs and dyestuff intermediates. Facilities for making dyestuffs and intermediates are being expanded. A new building for drying purposes has been completed and some drying equipment has been installed and is in use. The buildings are mostly of brick and reinforced concrete construction and contain 604,000 square feet of floor area. The plant generates all of its steam, but purchases its requirements of electric power.

Binghamton Plant

The photographic film and paper plants of the Ansco Division are located at Binghamton, New York, and occupy approximately 28 acres. They consist of 46 buildings principally of brick and reinforced concrete construction, equipped with machines such as those for the casting of film base and the coating and finishing of film and paper. A new steam and power plant has been constructed and is expected to be in operation by the end of July 1947. When placed in operation it will furnish the requirements for steam and power of the Ansco film and paper plants at Binghamton. The Camera Plant, also at Binghamton, occupies approximately 5 acres and consists of 8 buildings principally of brick and reinforced concrete construction. It is equipped with machinery and apparatus principally for the manufacture of camera parts and the assembly of cameras.

Johnson City Plant

The plant of the Ozalid Division located at Johnson City, New York, adjacent to Binghamton, occupies approximately 4.6 acres of land. The buildings erected thereon cover approximately 3.2 acres, the main building, containing manufacturing facilities and offices,

being of steel and concrete construction. The plant is equipped to manufacture parts for and to assemble Ozalid machines and to coat Ozalid paper and other sensitized materials. A new modern steel and brick plant building is nearing completion and will be used for executive offices, sensitizing operations, the converting of sensitized materials and for shipping and laboratory facilities. It will contain approximately 48,000 square feet of floor area.

Easton Laboratory

The Company's Central Research Laboratory is located at Easton, Pennsylvania, and consists of a five-story steel and concrete building having a floor area of approximately 72,000 square feet.

Miscellaneous Information

In addition to the foregoing, the Company owns a three-story steel and concrete building in Chicago, Illinois, and property at Hollywood, California, used as branch offices for the Ansco Division, and is presently contemplating the erection of a new color film plant at Binghamton. The Company owns a plant in Detroit, Michigan, consisting of a modern reinforced concrete building with two floors and a basement containing approximately 70,000 square feet of floor area which is used by the Ozalid Division.

The Company also owns 5 houses, one in Summit, New Jersey, and 4 in Binghamton, New York. All are leased for residential purposes except one in Binghamton, N. Y. which is used to provide hotel accommodations for out of town employees temporarily in Binghamton on company business. In addition, the Company owns the Ansco Lake property in the town of Windsor, Broome County, N. Y. consisting of approximately 173 acres leased to an employees' organization for

recreational purposes. The Company also owns a lake property in the town of Afton, County of Chenango, N. Y. consisting of about 235 acres which the company has contracted to sell on or about July 1, 1947.

B. Restricted Subsidiaries

Collway Colors, Inc.

This subsidiary has a plant for the manufacture of dry colors located at 15 Market Street, Paterson, New Jersey, consisting of three brick buildings, one and two stories in height on an irregular plot approximately 300 by 108 feet containing approximately 50,000 square feet of floor area.

AnSCO of Canada, Limited

This subsidiary owns an unimproved parcel of land containing about 16 acres in the township of Etobicoke, County of York, Province of Ontario, Canada.

C. Minor Encumbrances

The properties and assets of this Company and its consolidated subsidiaries are subject to no mortgages, liens, charges or encumbrances of any nature whatsoever other than minor encumbrances, which do not, in our opinion, in the aggregate, materially detract from the value of said properties or materially impair their use in the operation of the business of this Company or of the subsidiary owning the same.

(ii) Fixed property as of March 31, 1947.

	<u>Gross Book Value</u>	<u>Reserve for Depreciation</u>	<u>Net Book Value</u>
Land and land improvement	\$ 1,274,495.27	\$ 94,078.56	\$ 1, 180,416.71
Buildings and building equipment	15,928,639.07	5,247,564.86	10, 681,074.21
Machinery and equipment etc.	32,212,076.81	13,176,144.51	19, 035,932.30
	<u>\$49,415,211.15</u>	<u>\$18,517,787.93</u>	<u>\$30, 897,423.22</u>

Basis of Valuation: At cost

Depreciation and Amortization: Based on estimated useful life of each item considered separately.

Note: Foregoing does not include a parcel of approximately 3.34 acres of land improved with a warehouse building located at 245 Clinton Street, Binghamton, N. Y. which the company acquired on June 13, 1947 for a consideration of \$240,000.

EXHIBIT D
ACTIONS, SUITS OR PROCEEDINGS

(1)

READEX MICROPRINT CORPORATION
v.
GENERAL ANILINE & FILM CORPORATION

Supreme Court of the State of New York
County of New York

By this action plaintiff seeks to recover (1) \$475,000 as damages for breach of contract to deliver microprints, and (2) \$445,000 as damages for fraud in falsely representing that Ozalid Division had a process for making microprints. At the close of the trial, Judge Hofstadter dismissed the second cause of action and reserved decision as to the first cause of action.

(2)

READEX MICROPRINT CORPORATION
v.
GENERAL ANILINE & FILM CORPORATION

Superior Court of Delaware
Newcastle County

This action, paralleling the New York case with the same title, was brought only to protect plaintiff's claim in the event that the New York Court sustained certain affirmative procedural defenses which would not be available in Delaware.

(3)

HERMAN P. ANGERMUELLER
v.
GENERAL ANILINE & FILM CORPORATION

United States District Court for
the District of New Jersey

Plaintiff, whose employment contract was terminated in October 1942 pursuant to a Special Order of the Alien Property Custodian, brought this action for wrongful discharge. His net claim amounts to \$36,558.34. Should the Company lose this suit, however, it will be open to claims of other former employees, dismissed under similar circumstances, aggregating about \$300,000 gross (i.e., not deducting for other compensation received).

General Aniline denies liability on the ground that it terminated Angermueller's employment in good faith, as directed by the Custodian, and among other things, in reliance upon an exculpatory provision of the Trading With the Enemy Act; also, that General Aniline is protected by common law principles relating to "impossibility of performance."

Since Angermueller has attacked various provisions of the Trading With the Enemy Act, the Government has intervened as a party defendant to argue the question of constitutionality.

Plaintiff's attorney has offered to settle for \$12,500. He has also offered to settle the claim of Hans Aickelin (deceased), who was discharged under similar circumstances and whose gross claim amounts to approximately \$212,000, for \$50,000.

At present, General Aniline is considering the advisability of moving for summary judgment on the ground that there are no issues of fact in the case but only issues of law and that it is entitled to judgment on the issues of law.

(2)

(4)

FERROLINE CORPORATION
v.
GENERAL ANILINE & FILM CORPORATION

United States District Court for
the Northern District of Illinois

This action charges that General Aniline obtained from Ferroline Corporation a secret process for the manufacture of iron penta carbonyl, in violation of an agreement of secrecy which was known to the Company. The complaint asks for an accounting of General Aniline's profits and seeks to enjoin further use of the secret process. General Aniline's profits from its iron carbonyl plant to date are in excess of \$300,000.

General Aniline's principal defense is that its iron carbonyl process was obtained from I. G. Farben.

At a hearing before a Special Master in Chicago in October 1946, the plaintiff put in its entire case. The hearing was then adjourned without date.

(5)

THOMAS F. KELLY, PRESIDENT, INTERNATIONAL
CHEMICAL WORKERS UNION, LOCAL NO. 227, et al.
v.
GENERAL ANILINE & FILM CORPORATION

United States District Court for
the Northern District of New York

This action, on behalf of 365 out of approximately 865 employees at the Company's Rensselaer plant, seeks \$100,000 in "portal to portal" pay under the Wage-Hour Law, from October 1940 to June 1946. The Company's time to answer or move has been extended indefinitely.

(3)

(6)

THE ANTITRUST INDICTMENTS

U. S. v. GENERAL DYESTUFF CORPORATION, GENERAL ANILINE &
FILM CORPORATION, et al. (Docket No. C-111-135)

U. S. v. GENERAL ANILINE & FILM CORPORATION, et al.
(Docket No. C-111-136)

U. S. v. GENERAL ANILINE & FILM CORPORATION, et al.
(Docket No. C-111-137)

United States District Court for the Southern District
of New York

These indictments, returned in December 1941, charge violations of the Antitrust Laws. Trial of the cases has been adjourned from time to time.

(7)

DEFICIENCY 1940 FEDERAL INCOME
AND EXCESS PROFITS TAXES

On March 18, 1947, the Internal Revenue Bureau advised the Company that the audit of its Federal income and excess profits tax returns for the calendar year 1940 indicated a deficiency of \$232,784.05. The Company has advised the Bureau that it will file a protest, which is now in preparation. The balance sheets of the Company since December 31, 1941 contain adequate provision against the assessment of such taxes.

(4)

EXHIBIT E

PRODUCTS MANUFACTURED AND/OR SOLD BY THE
COMPANY AND ITS SUBSIDIARIES WITH NOTICE
OF CONFLICT WITH THE ASSERTED RIGHTS OF
OTHERS

1. The Company manufactures and sells a powdered x-ray fixer under the trademark "Ansco." The Company has received notice from Eastman Kodak Company that this product infringes its Patent No. 1,930,140.

2. The Company manufactures and sells a camera under the trademarks "Ansco" and "Pioneer," which camera is protected by the Company's Design Patent No. 121,408. The Company has received notice from George F. Boesser that said camera infringes his Patent No. 1,932,098.

3. The Company manufactures and sells dry-printing machines for light sensitive materials under the trademarks "Ozalid," "Printmaster" and "Streamliner," which machines are protected by the Company's Patents 2,401,203; 2,352,983; 2,315,829 and 2,308,130. The Company has received notice from Wood-Mallabar Co. Ltd. of England that said machines infringe its Patent No. 2,047,104.

4. The Company manufactures and sells a powdered photographic fixer under the trademarks "Ansco" and "Reproolith." The Company has received notice from Eastman Kodak Company that said product infringes its Patent No. 2,313,523.
5. The Company manufactures and sells a color densitometer under the trademark "Ansco." The Company has received notice from Norman R. Gunderson that said product infringes his Patent No. 2,413,706 and that he is willing to license the Company under said patent.
6. The Company manufactures and sells a camera under the trademarks "Ansco" and "Pioneer," which camera is protected by the Company's Design Patent No. 121,408. The Company has received notice from Frederick S. Schlesinger that said product infringes his Patent No. 1,934,331.
7. The Company manufactures and sells a concentrated liquid x-ray fixer under the trademark "Liquafix" registered to the Company under No. 394,120. The Company has received

notice from The Edwal Laboratories Inc., Chicago, Illinois, that said trademark conflicts with its unregistered trade name of "Liquid-Fix," which covers a concentrated acid hardening fixer for general photographic development purposes.

EXHIBIT F

THE COMPANY'S OBLIGATIONS WITH
RESPECT TO THE CHEMIE STOCK

In lieu of cash in payment of eight dividends declared during the period October 16, 1944 to September 16, 1946, the Company offered its Stockholders the option of accepting, at specified prices, bearer shares of Internationale Industrie-und Handelsbeteiligungen, A.G., formerly Internationale Gesellschaft fuer Chemische Unternehmungen, A.G., of Basle, Switzerland (hereinafter called Chemie) which the Company had in its portfolio.

Pursuant to the above mentioned option, the Company distributed a total of 28,482 shares of 50% paid stock, and 56,070 shares of 100% paid stock of Chemie.

Upon being advised in 1946 that the Articles of Association of Chemie had been amended to provide for conversion of its bearer shares into registered shares, and that Chemie had refused to register bearer shares which had been acquired from the Company, the Board of Directors of the Company authorized the repurchase of the Chemie stock from any Stockholder who certified that his title to said stock was defective so as not to permit him to make a good transfer or to exercise the rights of a Stockholder in Chemie, at the price at which said stock was received from the Company. Said authorization related only

1

to the Chemie stock distributed in payment of the dividends declared in 1946.

In addition, the Board of Directors authorized the officers of the Company to repurchase, in their discretion, shares of stock of Chemie sold to minority stockholders in connection with dividend distributions in 1944, 1945 and 1946, at the same prices received by the Company from said stockholders.

The cost to the Company of repurchasing all the Chemie shares sold to minority stockholders would amount to \$52,930. The cost of repurchasing all the Chemie stock that the Company is authorized to repurchase from the Attorney General would amount to \$1,666,378.10. To date no stockholder has requested repurchase of his Chemie shares.

METROPOLITAN LIFE INSURANCE COMPANY

One Madison Avenue, New York 10, N.Y.

December 8, 1953

General Aniline & Film Corporation
230 Park Avenue
New York 17, New York

Attention: Mr. F. A. Gibbons,
Treasurer

Gentlemen:

We are the holder of your 2.95% promissory note due June 1, 1967 (hereinafter called the "1947 note") now outstanding in the principal amount of \$15,500,000 and your 3.50% promissory note due March 1, 1972 (hereinafter called the "1951 note") now outstanding in the principal amount of \$20,000,000, said notes being hereinafter called the "Notes".

We, as the holder of the Notes, hereby consent and agree that Section 7(h) of the 1951 Note be amended by deleting the figure "\$200,000" and substituting therefor the figure "\$1,000,000".

Should we have occasion to dispose of the 1951 Note, we shall, prior to any delivery thereof, place an appropriate notation thereon with respect to this Consent.

Very truly yours,

METROPOLITAN LIFE INSURANCE COMPANY

BY E. Hugh McConnell /s/
Second Vice President

Greene F. Johnson /s/
Assistant General Counsel

\$10,000,000

New York, New York

December 18, 1951.

GENERAL ANILINE & FILM CORPORATION (herein called the Company), a corporation duly organized and existing under the laws of the State of Delaware, for value received, hereby promises to pay to Metropolitan Life Insurance Company or order, on the first day of March, 1972, the principal sum of Ten Million Dollars in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the Home Office of Metropolitan Life Insurance Company, in the Borough of Manhattan, the City and State of New York, and to pay interest on the unpaid portion of said principal sum from the date hereof at said Office, in like coin or currency, semi-annually on the first day of September and the first day of March in each year, at the rate of three and one-half per centum (3.50%) per annum until such unpaid portion of such principal sum shall have become due and payable and at the rate of six per centum (6%) per annum thereafter and, so far as may be lawful, to pay interest on any overdue instalment of interest at the rate of six per centum (6%) per annum at said Office in like coin or currency.

1. This Note is one of several Notes (hereinafter called the Notes) made or to be made by the Company in the aggregate principal amount of not in excess of \$20,000,000. All the Notes mature on March 1, 1972, and bear interest payable at the same rate and on the same semi-annual dates as the interest on the principal sum of this Note.

2. The Company covenants and agrees that on March 1 of each year, commencing March 1, 1957, it will prepay a principal amount of this Note (to the next highest multiple of \$1,000) equal to the percentage set forth below of the original principal amount:

Year	Percentage of original principal amount
1957 to 1960, both inclusive.....	2 1/4%
1961 to 1964, both inclusive.....	5%
1965 to 1971, both inclusive.....	6 1/4%

The Company shall give notice of each prepayment of this Note pursuant to this Section 2 as in Section 4 hereof provided.

3(a). In addition to the prepayments required by Section 2 hereof, upon notice given as provided in Section 4 hereof, the Company at its option may call for prepayment and prepay the Notes in whole or in part (in principal amounts constituting a multiple of \$25,000 and aggregating at least \$100,000), at any time at the following respective percentages of the principal amount thereof or of such portion thereof so called for prepayment, together with the interest accrued on such principal amount or on such portion thereof to the date fixed for prepayment by such notice:

- 104% if prepaid on or before March 1, 1957;
- 103% if prepaid thereafter and on or before March 1, 1962;
- 102% if prepaid thereafter and on or before March 1, 1967;
- 101% if prepaid thereafter and on or before March 1, 1971;
- 100% if prepaid thereafter;

provided, however, that the said percentages shall, in lieu of being as hereinabove in this Section provided, be 100%, if (A) the Notes are prepaid preparatory to and in connection with, or within a period of twelve (12) months immediately following, the sale, release, disposal, or other relinquishment by the United States of America and all officers, agents, departments, bureaus, boards, agencies and instrumentalities thereof, of all right, title and interest, and purported right, title and interest, in or to more than 95% of the outstanding shares of capital stock of all classes of the Company vested in or held by the United States Government or its representatives, and (B) such prepayment, together with the prepayment of the 1947 note required by subsection (b) of this Section, is effected solely through the application of cash proceeds aggregating \$20,000,000 or more derived from the sale by the Company of assets, or of shares of its capital stock of any class, preparatory to and in connection with, or within a period of twelve (12) months immediately following, the event above mentioned.

(b) In the event of a prepayment pursuant to Section 3 hereof, the Company shall prepay simultaneously therewith an amount of the Company's note issued under the loan agreement dated July 10, 1947, between the Company and the Metropolitan Life Insurance Company (herein called the 1947 note), which bears the same proportion to the amount of the 1947 note unpaid prior thereto as the amount of the Notes so prepaid pursuant to Section 3 hereof bears to the amount of the Notes unpaid prior thereto.

4. Any call for prepayment of this Note or any portion hereof shall be made by giving written notice not less than thirty (30) nor more than sixty (60) days prior to the date fixed for such prepayment. Such written notice shall be accompanied by a certificate of the Treasurer of the Company to the effect that the Company has called for prepayment simultaneously with such prepayment of this Note an amount of the 1947 note which bears the same proportion to the amount of the 1947 note unpaid prior thereto as the amount of the Notes so called for prepayment pursuant to Section 3 hereof bears to the amount of the Notes unpaid prior thereto. The notice of a call for prepayment of this Note or any portion hereof and all other notices to be given to any holder of this Note shall be mailed by registered mail to the payee herein named; provided, however, that if any subsequent holder of this Note shall have presented it to the Company for inspection at the office of the Company in New York, New York, and shall have delivered to the Company written notice of the acquisition by such holder of this Note and designated in writing an address to which notices in respect of this Note shall be mailed, such notices shall be given to such holder at such designated address, instead of to the payee herein named. Upon notice of call for prepayment being given as aforesaid, the Company covenants and agrees that it will prepay on the date therein fixed for prepayment the entire principal amount of this Note or the portion thereof, as the case may be, so called for prepayment at the applicable percentage, hereinabove provided, together with interest accrued thereon to such date fixed for prepayment.

If less than the entire principal amount of all the Notes at the time outstanding shall be called for prepayment at any time, the Company will allocate the principal amount so called for prepayment (but only in units of \$1,000) among the holders of Notes in proportion, as nearly as may be, to the respective principal amounts of such Notes, not theretofore called for prepayment, of which they shall be holders.

5. If this Note or a portion hereof is called for prepayment as herein provided, this Note or such portion shall cease to bear interest from and after the date fixed

for such prepayment; provided, however, that if, upon presentation for the purpose, the Company shall fail to pay this Note or such portion, as the case may be, this Note or such portion, as the case may be, shall bear interest, payable semi-annually on the first day of March and the first day of September in each year, at the rate of six per centum (6%) per annum from and after the date fixed for such prepayment.

6. The Company covenants and agrees that, so long as any Note shall be outstanding, it will:

(a) maintain an office or agency in New York, New York, where notices, presentations and demands to or upon the Company in respect of this Note may be given or made;

(b) promptly pay and discharge or cause to be paid and discharged all lawful taxes, assessments, and governmental charges or levies imposed upon the Company or any restricted subsidiary or upon the income and profits of the Company or any restricted subsidiary, or upon any property, real, personal or mixed, belonging to the Company or any restricted subsidiary, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided, however, that the Company shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and the Company or such subsidiary, as the case may be, shall set aside on its books adequate reserves with respect to any such tax, assessment, charge, levy or claim so contested;

(c) do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises and do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence, rights and franchises of each of its restricted subsidiaries, and comply with and cause each restricted subsidiary to comply with all laws applicable to the Company or any such restricted subsidiary as its counsel may advise; provided, however, that nothing in this subsection (c) contained shall prevent a consolidation or merger of, or a sale, transfer or disposition of all or substantially all of the property and assets of, the Company not prohibited by the provisions of Section 7 (f) hereof, or a liquidation or dissolution of, or a sale, transfer or disposition of all or substantially all of the property and assets of, any restricted subsidiary not prohibited by the provisions of Section 7 (c) hereof;

(d) at all times maintain, preserve, protect and keep or cause to be maintained, preserved, protected, and kept its property and the property of its restricted subsidiaries used or useful in the conduct of the business of the Company and its restricted subsidiaries in good repair, working order and condition, and from time to time make, or cause to be made, all needful and proper repairs, renewals, replacements, betterments and improvements thereto, so that the business carried on in connection therewith may be properly and advantageously conducted at all times;

(e) set up on its books from its earnings, and cause each of its restricted subsidiaries to set up on the books of such subsidiary from the earnings thereof, during the fiscal year ending on December 31, 1951, and during each fiscal year thereafter, (A) adequate reserves for renewals and replacements, obsolescence and depreciation during each year and (B) reserves for all other proper charges against income;

(f) keep adequately insured, and cause each of its restricted subsidiaries to keep adequately insured, by solvent insurers, all property of a character usually insured by corporations engaged in the same or a similar business similarly situated against loss or damage of the kinds customarily insured against by such corporations, and carry, and cause each of its restricted subsidiaries to carry, such other insurance as is usually carried by corporations engaged in the same or a similar business similarly situated; and

(g) at all times keep, and cause each of its restricted subsidiaries to keep, true and complete books of record and accounts.

7. The Company covenants and agrees that so long as any Note shall be outstanding:

(a) The Company will not itself, and it will not permit any restricted subsidiary to, incur, create, assume, guarantee (whether by discount or otherwise) or in any manner become liable in respect of any indebtedness except the following:

(i) in the case of the Company and any restricted subsidiary, (A) liabilities in respect of taxes, assessments and governmental charges or levies and claims for labor, materials and supplies, as and to the extent permitted to remain unpaid and undischarged by Section 6 (b) hereof, and (B) indebtedness secured by mortgages, liens or pledges specifically permitted by subsection (b) of this Section;

(ii) in the case of the Company, (A) unsecured current liabilities, and (B) unsecured funded indebtedness, but only if after giving effect thereto, the following conditions shall be fulfilled, namely: (1) the consolidated funded indebtedness of the Company and its restricted subsidiaries then outstanding will not exceed the sum of \$15,000,000, (2) the consolidated net working capital of the Company and its restricted subsidiaries

will be not less than \$50,000,000 and will also be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, and (3) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries; and

(iii) in the case of any restricted subsidiary, (A) unsecured current liabilities incurred in the ordinary course of business (not as the result of borrowing) and not evidenced by any note or other evidence of indebtedness, and (B) indebtedness to the Company or to any wholly-owned restricted subsidiary.

(b) The Company will not itself, and it will not permit any restricted subsidiary to, create or incur or suffer to be created or incurred or to exist any mortgage, lien, charge or encumbrance of any kind (except as permitted by Section 6 (b) hereof) on, or pledge of, and will not, whether by transfer to any subsidiary or otherwise, subject or permit any restricted subsidiary to subject to the prior payment of any indebtedness other than that represented by the Notes, any property or assets, real or personal, tangible or intangible, of the Company or any restricted subsidiary, or own or acquire or agree to acquire any property of any character subject to or upon chattel mortgage or conditional sales agreement or other title retention agreement; provided, however, that the foregoing restrictions shall not prevent

(i) the Company or any restricted subsidiary from creating or incurring or suffering to exist purchase money mortgages or other purchase money liens upon any real property purchased by the Company or such restricted subsidiary after June 1, 1951, or from acquiring real property after June 1, 1951 subject to mortgages and liens existing thereon at the date of acquisition, or from owning or acquiring or agreeing to acquire property subject to or upon chattel mortgages, conditional sales agreements or other title retention agreements, provided that (A) the principal amount of the indebtedness secured by each such mortgage or lien shall not exceed 66 2/3% of the cost or fair value at the time of the acquisition thereof by the Company or such restricted subsidiary, whichever is less, to the Company or such restricted subsidiary, as the case may be, of the property subject thereto, (B) each such mortgage or lien shall expressly provide that it shall apply only to the property originally subject thereto and fixed improvements erected thereon, (C) the aggregate principal amount of all indebtedness of the Company and all its restricted subsidiaries at the time outstanding secured by mortgages and liens upon such property (including extensions, renewals and replacements thereof, as permitted by clause (ii) of this subsection, and also including the indebtedness then being incurred, but excluding indebtedness owing to the Company or any wholly-owned restricted subsidiary), plus the aggregate amount due or to become due in respect of the purchase price of property acquired or agreed to be acquired subject to or upon chattel mortgages, conditional sales agreements or other title retention agreements (including each chattel mortgage, conditional sales agreement or other title retention agreement then being made), shall not exceed \$3,000,000, and (D) after giving effect to all indebtedness of the Company and all its restricted subsidiaries at the time outstanding, including the indebtedness defined in (C) above, the conditions specified in subdivisions (1) (2) and (3) of paragraph 7 (a) (ii) hereof shall be fulfilled; or

(ii) the Company or any restricted subsidiary from extending, renewing or replacing any purchase money mortgage or other purchase money lien on real property permitted by the preceding clause (i) upon the same property theretofore subject thereto, or replacing, renewing or extending the indebtedness secured thereby, provided that in any such case the principal amount of such indebtedness so replaced, extended or renewed shall not be increased; or

(iii) any restricted subsidiary from mortgaging or pledging all or any part of its property and assets to the Company or to one or more wholly-owned restricted subsidiaries as security for indebtedness owing to the Company or to such restricted subsidiaries; or

(iv) the Company or any restricted subsidiary (A) from making pledges or deposits under workmen's compensation laws or similar legislation or good faith deposits in connection with bids, tenders, contracts (other than for the payment of money) or leases to which the Company or such restricted subsidiary is a party, or deposits to secure public or statutory obligations of the Company or such restricted subsidiary, or deposits to secure surety and appeal bonds to which the Company or such restricted subsidiary is a party, or (B) from incurring liens imposed by law, such as carriers', warehousemen's, mechanics', material-men's and vendors' liens, and liens arising out of judgments or awards against the Company or any restricted subsidiary with respect to which the Company or such restricted subsidiary at the time shall currently be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; or

(v) the creation or existence of liens for property taxes not yet subject to penalties for non-payment, or minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which encumbrances, easements, reservations, rights and restrictions do not, in the opinion of the Company, in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of the Company and its restricted subsidiaries.

(c) The Company will not cause, suffer or permit any restricted subsidiary to

(i) issue or dispose of any shares of its capital stock to any person other than the Company, or to one or more wholly-owned restricted subsidiaries, except to the extent, if any, required to qualify directors under any applicable law or required to be issued to other stockholders of such

restricted subsidiary by virtue of their exercise of preemptive rights or required to be issued to other stockholders as their pro-rata share of any stock dividend; or

(ii) sell, assign, transfer, dispose of or in any way part with control of any share of capital stock of any other restricted subsidiary owned by it, or any indebtedness owing to it from another restricted subsidiary, except in either case to the Company or to one or more wholly-owned restricted subsidiaries, or except as permitted by the proviso in subsection (d) of this Section; or

(iii) sell, lease, transfer or otherwise dispose of all or substantially all its properties and assets, or consolidate with or merge into any other corporation, or permit another corporation to merge into it, except that (A) any subsidiary (which does not own any shares of capital stock or indebtedness of any other restricted subsidiary) may sell for cash all or substantially all of its property and assets, and (B) any restricted subsidiary may sell, lease, transfer or otherwise dispose of all or any part of its property to, or (subject to the provisions of subsection (f) of this Section) consolidate with or merge into, the Company or another restricted subsidiary or permit the Company to merge into it; or

(iv) acquire any stock of any other corporation which the Company would not have been permitted to acquire under the provisions of subsection (d) (iii) of this Section.

(d) The Company will not

(i) sell, assign, transfer, dispose of, or in any way part with control of, any share of capital stock of any restricted subsidiary except to the extent, if any, required to qualify directors of such restricted subsidiary under any applicable law or except to effect dissolution of such restricted subsidiary; or

(ii) sell, assign, transfer, dispose of, or in any way part with control of, any indebtedness owing from any restricted subsidiary to the Company; or

(iii) acquire, directly or indirectly, any capital stock of any other corporation, if such other corporation immediately after such acquisition will be a restricted subsidiary, unless all outstanding capital stock of such other corporation having any preference over any capital stock of such other corporation owned or acquired by the Company will thereafter be owned by the Company;

provided, however, that all shares of capital stock of all classes, together with all indebtedness, of any restricted subsidiary owned by the Company and its other subsidiaries may be sold, as an entirety, for any adequate consideration (subject to the limitations of clause (iii) above) if the subsidiary whose shares of capital stock and indebtedness are so sold does not own any shares of capital stock or indebtedness of any other restricted subsidiary not being simultaneously disposed of as permitted by this proviso; and provided further that, for the purposes of clause (iii) of this subsection (d) and of subsections (a) and (b) of this Section, indebtedness (other than indebtedness of the character described in item (A) of clause (i) and in clause (iii) of subsection (a) of this Section) of a corporation becoming a restricted subsidiary shall be deemed to be purchase money indebtedness incurred immediately prior to such corporation's becoming a restricted subsidiary and mortgages and liens existing on property of a corporation becoming a restricted subsidiary shall be deemed to be purchase money mortgages or purchase money liens.

(e) The Company will not declare or pay any dividends (other than dividends payable in capital stock of the Company) on any shares of any class of its capital stock or apply any of its property or assets to the purchase, redemption or other retirement of, or set apart any sum for the payment of any dividends on, or for the purchase, redemption or other retirement of, or make any other distribution, by reduction of capital or otherwise, in respect of, or permit any subsidiary to purchase, any shares of any class of capital stock of the Company, or make, or permit any restricted subsidiary to make, in any manner described in subsection (g) of this Section 7 hereof, any investment subsequent to June 1, 1951 in any unrestricted subsidiary, unless after giving effect to such action, the following conditions shall be fulfilled, namely,

(i) the sum of

(A) the amounts declared and paid or payable as dividends (other than dividends paid or payable in capital stock of the Company) on all shares of stock of all classes of the Company or distributed in respect of such shares of stock subsequent to December 31, 1950,

(B) the excess of the amounts applied to, or set apart for the purchase (including purchases by subsidiaries), redemption or retirement of shares of stock of all classes of the Company subsequent to December 31, 1950 over the net cash proceeds of sales of shares of stock of the Company subsequent to December 31, 1950, and

(C) the excess of the then aggregate amount of all investments (as such term is used in subsection (g) of this Section 7) made by the Company or any restricted subsidiary subsequent to June 1, 1951, in unrestricted subsidiaries, over \$5,000,000,

will not be in excess of \$1,000,000 plus 80% of the consolidated net income of the Company and its restricted subsidiaries accrued subsequent to December 31, 1950;

(ii) the consolidated net working capital of the Company and its restricted subsidiaries will be not less than \$50,000,000 and also will be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries; and

(iii) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries.

(f) The Company will not sell, lease, transfer or otherwise dispose of all or substantially all its properties and assets, or consolidate with or merge

into any other corporation, or permit another corporation to merge into it, unless

(i) such other corporation shall not have outstanding immediately prior to such sale, lease, transfer, disposition, consolidation or merger (1) any mortgage, lien or pledge other than mortgages, liens and pledges of the character which such other corporation would have been permitted to create, assume or incur under and in conformity with the terms and conditions of this Section if it had, at the time of such creation, assumption or incurring, been a restricted subsidiary, or (2) any indebtedness which the Company would not then be permitted to incur, create or assume under the provisions of this Note;

(ii) the obligations of the Company under the Notes shall be expressly assumed by such successor corporation (if such successor corporation shall not be the Company), transferee or lessee;

(iii) such successor corporation, transferee or lessee shall be a corporation incorporated within the continental limits of the United States of America; and

(iv) such successor corporation shall thereupon be entitled to pay a dividend in some amount within the limitations prescribed in Section 7 (e) hereof.

(g) Neither the Company nor any restricted subsidiary will make any investment in any unrestricted subsidiary whether by acquisition of stock or indebtedness, or by loan, advance, transfer of property, capital contribution, or otherwise, or purchase any stock of any corporation which upon the purchase thereof will become an unrestricted subsidiary unless, after giving effect thereto, the following conditions shall be fulfilled, namely: (i) the consolidated net working capital of the Company and its restricted subsidiaries will be not less than \$50,000,000 and also will be not less than 133% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, (ii) the consolidated net tangible assets of the Company and its restricted subsidiaries will be not less than 250% of the consolidated funded indebtedness of the Company and its restricted subsidiaries, and (iii) the then aggregate amount of all investments of the Company and its restricted subsidiaries in unrestricted subsidiaries, whether by acquisition of stock or indebtedness, or by loan, advance, transfer of property, capital contribution, or otherwise, will not exceed the sum of \$5,000,000 plus any further amount which would at the time be available to the Company for the payment of dividends in accordance with the provisions of Section 7 (e) hereof.

(h) Neither the Company nor any restricted subsidiary will become or be a party as lessee under any lease of real or personal property having a term (including terms of renewal at the option of the lessor, whether or not such lease has theretofore been renewed) of more than five years if, thereafter, the aggregate amount of rentals accrued and to accrue under all such leases of the Company and its restricted subsidiaries will exceed \$200,000 in any period of twelve consecutive months.

8. For the purpose of this Note:

(a) The term "corporation" shall include corporations, associations, companies and business trusts.

(b) The term "voting stock" of a corporation shall mean stock at the time entitling the holders thereof to elect a majority of the board of directors, managers or trustees of such corporation.

(c) The term "subsidiary" shall mean any corporation more than 50% of the voting stock of which at the time is owned or controlled directly or indirectly by the Company and/or by one or more subsidiaries. The term "restricted subsidiary" shall mean any subsidiary other than a subsidiary which (i) does not own or control directly or indirectly any shares of stock of a restricted subsidiary, and (ii) either (A) is determined, by resolution of the Board of Directors of the Company adopted not more than 30 days after the date upon which such corporation became a subsidiary, not to be a restricted subsidiary, such determination to be effective as of the time such corporation became a subsidiary, or (B) is incorporated under the laws of a jurisdiction not within the continental limits of the United States or the Dominion of Canada and has substantially all its properties and carries on substantially all its business outside the continental limits of the United States and the Dominion of Canada. The term "unrestricted subsidiary" shall mean any subsidiary which is not a restricted subsidiary. The term "wholly-owned restricted subsidiary" shall mean any restricted subsidiary all the outstanding shares of stock of all classes of which (other than qualifying shares required to be owned by directors) are at the time owned directly by the Company.

(d) The term "indebtedness" shall mean and include (i) all items of indebtedness which in accordance with sound accounting practice would be included in determining total liabilities as shown on the liability side of a balance sheet as at the date as of which indebtedness is to be determined, (ii) indebtedness secured by any mortgage, pledge or lien, existing on property owned subject to such mortgage, pledge or lien, whether or not the indebtedness secured thereby shall have been assumed and (iii) guarantees, endorsements and other contingent obligations in respect of, or to purchase or otherwise acquire, indebtedness of others; provided, however, that the term "indebtedness" shall not include any prepaid indebtedness.

(e) The term "funded indebtedness" shall mean all indebtedness other than current liabilities.

(f) The term "consolidated net income of the Company and its restricted subsidiaries" shall mean the aggregate of the net income of the Company and its restricted subsidiaries after eliminating all offsetting debits and credits between the Company and its restricted subsidiaries and portions of earnings properly attributable to minority interests, if any, in common stocks of restricted subsidiaries, and after making provision for dividends accrued on preferred stock, if any, of restricted subsidiaries not owned by the Company or by another restricted subsidiary, all computed in accordance with sound accounting practice. The term "net income" of any corporation for any period shall mean the net income (or the net deficit, if expenses and charges exceed

revenues and other proper income credits) of such corporation for such period, determined in the following manner:

(A) The gross revenues and other proper income credits of such corporation shall be computed for such period in accordance with sound accounting practice, provided that in any event there shall not be included in such gross revenues and income credits any of the following items: (1) any gain arising from any sale of capital assets, except in the regular course of business, or from the acquisition or retirement or sale of securities of such corporation or any subsidiary of such corporation; or (2) any restoration of any contingency reserve to income, except to the extent of amounts restored to income to offset extraordinary losses or charges against income arising out of the contingency for which such reserve was established, and except to the extent that provision for such contingency reserve was made out of income accrued subsequent to December 31, 1950.

(B) From the amount of such gross revenues and other proper income credits for such period determined as provided in the preceding clause (A) there shall be deducted an amount equal to the aggregate of all expenses and other proper income charges (exclusive of losses from the sale or abandonment of capital assets except in the regular course of business) for such period, determined in accordance with sound accounting practice but in any event including (without in any respect limiting the generality of the foregoing) the following items: (1) all interest charges; (2) amortization of debt discount and expense and amortization of all other deferred charges properly subject to amortization; (3) provision for all taxes in respect of property and in respect of income; (4) provision for all contingency reserves, whether general or special; (5) provision for depreciation, depletion, obsolescence and/or amortization.

(g) The term "consolidated current assets", to the extent permitted by and in all cases as determined in accordance with sound accounting practice, shall include, after eliminating intercompany items, (i) cash and cash items on hand or in transit or on deposit in any bank or trust company which has not suspended business; (ii) stocks, bonds and other securities or obligations which are readily marketable, taken at the current market price thereof or at the fair value thereof if there be no such current market price; (iii) good and collectible notes, trade acceptances, accounts and bills receivable; (iv) inventories of merchandise and supplies, all taken on the basis of, and not in excess of, cost or current fair market value, whichever shall be lower; and (v) such other assets as sound accounting practice would include within the term "current assets" in the case of a corporation conducting a business the same as or similar to that of the particular corporation concerned; all after deduction of adequate reserves in each case where a reserve is proper under sound accounting practice.

(h) The terms "current liabilities" and "consolidated current liabilities" shall mean, as of the date of determination thereof and, in the case of consolidated current liabilities, after eliminating intercompany items, all indebtedness maturing on demand or within one year after the date as of which such determination is made, prepayments of indebtedness (including prepayments in respect of the Notes) and fixed sinking fund payments or other prepayments required to be made with respect to any indebtedness within one year after said date, and all other items (including taxes accrued as estimated) which in accordance with sound accounting practice would be included as current liabilities or as consolidated current liabilities, as the case may be.

(i) The term "consolidated net working capital" shall mean the amount by which the consolidated current assets exceed the consolidated current liabilities.

(j) The term "consolidated tangible assets" shall mean and include all tangible assets (less depreciation and other reserves and items deductible under good accounting practice) which under good accounting practice would appear on the assets side of the consolidated balance sheet, excluding patents, trade marks, trade names, licenses, good will, deferred charges, treasury stock and all items treated as intangibles under good accounting practice.

(k) The term "consolidated net tangible assets" shall mean the amount by which the consolidated tangible assets exceed the consolidated current liabilities.

(l) The term "rentals", with respect to and pursuant to the terms of any lease and for any period, shall mean the aggregate amounts payable by the lessee for such period including, without limitation, income taxes, property taxes, insurance and amortization charges which the lessee is required to pay pursuant to such lease. Whenever it is necessary to determine the amount of rentals for any period in the future and to the extent that such rentals are not definitely determinable by the terms of the lease, for the purpose of this definition, all such charges may be estimated in such reasonable amounts as the Board of Directors of the Company or of its subsidiary, as the case may be, may determine.

9. This Note shall become and be due and payable upon demand made by the holder hereof if one or more of the following events, herein called events of default, shall happen and be continuing at the time of such demand or at the time of a demand from the holder of a Note:

(a) Default in the payment of the principal of any Note, with the premium thereon, if any, when and as the same shall become due and payable, whether at maturity or at a date fixed for prepayment or by acceleration or otherwise; or

(b) Default in the payment of any instalment of interest on any Note according to its tenor when and as the same shall become due and payable and such default shall continue for a period of thirty days; or

(c) Default in the due observance or performance of any covenant, condition or agreement on the part of the Company contained in Section 2 or in subsections (a), (b), (e), (f), (g) or (h) of Section 7 hereof; or

(d) Default in the due observance or performance of any other covenant, condition or agreement on the part of the Company to be observed or performed

pursuant to the terms hereof and such default shall continue for thirty days after written notice thereof, specifying such default and requesting that the same be remedied, shall have been given to the Company by the holder of any of the Notes; or

(e) The Company or any restricted subsidiary shall be adjudicated a bankrupt or insolvent, or shall consent to the appointment of a receiver, trustee or liquidator of itself or of any of its property, or shall admit in writing its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or a voluntary petition for an answer seeking reorganization in a proceeding under the federal bankruptcy laws (as now or hereafter in effect), or an answer admitting the material allegations of a petition filed against the Company or any restricted subsidiary in any such proceeding, or shall, by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding up of corporations, or the Company or its directors or majority stockholders shall take action looking to the dissolution or liquidation of the Company (except in connection with a consolidation with or a merger of the Company with or into another corporation or a sale, transfer or disposition of all or substantially all of the property and assets of the Company, not prohibited by subsection (f) of Section 7 hereof); or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Company or a restricted subsidiary, a receiver, trustee or liquidator of the Company or such subsidiary or of any substantial part of its or their property, and such receiver, trustee or liquidator shall not have been removed or discharged within ninety days thereafter, or any of the property of the Company or a restricted subsidiary shall be sequestered and shall not be returned to the possession of the Company or such subsidiary within ninety days thereafter; or

(g) A petition against the Company or any restricted subsidiary in a proceeding under the federal bankruptcy laws (as now or hereafter in effect) shall be filed and shall not be dismissed within ninety days after such filing, or, in case the approval of such petition by a court of competent jurisdiction is required, shall not be filed and approved by such a court as properly filed and such approval shall not be withdrawn or the proceeding dismissed within ninety days thereafter, or if, under the provisions of any other similar law providing for reorganization or winding up of corporations and which may apply to the Company or any restricted subsidiary, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Company or such restricted subsidiary or

IN WITNESS WHEREOF, General Aniline & Film Corporation has caused this Note to be signed in its corporate name by its President or one of its Vice Presidents and this Note to be dated as of the day and year first above written.

of any of its or their property and such jurisdiction, custody or control shall not be relinquished or terminated within ninety days thereafter; or

(h) Default shall be made in the payment of any installment of interest, when the same shall become due and payable, on any bond, debenture, note or other evidence of indebtedness (other than the Notes) of, or assumed or guaranteed by, the Company or any restricted subsidiary and such default shall continue for a period of thirty days, or default shall be made in the payment of the principal of any such bond, debenture, note or other evidence of indebtedness when the same shall become due and payable, whether at maturity, by declaration, by call for redemption, or otherwise; or

(i) Final judgment for the payment of money in excess of One hundred thousand dollars (\$100,000) shall be rendered against the Company or a restricted subsidiary and the same shall remain undischarged for a period of sixty days during which execution shall not be effectively stayed; or

(j) The United States of America or any officer, agent, department, bureau, board, agency or instrumentality thereof shall, pursuant to the Trading with the Enemy Act, as heretofore or hereafter amended, or any other legislation relating to vested corporations or to the vesting of assets, properties or interests, or any executive order, vesting order, regulation or ruling thereunder, vest or purport to vest, or otherwise assert any right, title or interest in or to, any substantial portion of the assets, properties or interests of the Company or any of its restricted subsidiaries.

10. In case any one or more of the events of default specified in Section 9 of this Note shall happen and be continuing, the holder of this Note may proceed to protect and enforce his rights by suit in equity, action at law and/or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Note or in aid of the exercise of any power granted in this Note, or may proceed to enforce the payment of this Note or to enforce any other legal or equitable right of the holder of this Note.

11. This Note shall be governed by the laws of the State of New York.

12. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

13. No course of dealing between the Company and the holder hereof shall operate as a waiver of any right of any holder hereof and no delay on the part of the holder hereof in exercising any right hereunder shall so operate.

GENERAL ANILINE & FILM CORPORATION

By /s/ W. I. McNeill
Vice-President

(FORM FOR VOTING TRUST INDENTURE PURSUANT TO "AGREEMENT A")

VOTING TRUST INDENTURE "A"

VOTING TRUST INDENTURE dated April , 1945, between GENERAL ANILINE & FILM CORPORATION (hereinafter "General Aniline"),
(Name of highest bidder) , and JAMES E. MARKHAM, as ALIEN PROPERTY CUSTODIAN (hereinafter "Custodian");

WITNESSETH:

WHEREAS, pursuant to a contract (hereinafter "Agreement A") entered into on April , 1945 between

(Name of highest bidder) General Aniline and the Custodian, it was agreed that, upon payment of the balance of the sales price for the 6,150 shares of Class B Common Stock in Winthrop Chemical Company (hereinafter "Winthrop Delaware"), will, among other things, deposit

(Name of highest bidder) in trust with the Custodian, as Voting Trustee, a certificate or certificates representing 6,150 Class B Common Shares of Winthrop Delaware; and

WHEREAS, such payment of the balance price has been duly made by
(Name of highest bidder) ;

NOW, THEREFORE:

1. General Aniline and (Name of highest bidder) hereby transfer, assign, and deliver the aforesaid 6,150 shares of Class B Common Stock in Winthrop Delaware to the Custodian, to be held in trust by him in accordance with the terms and conditions of the Voting Trust, agreed upon and set forth in Agreement A, originals of which are on file with the Winthrop Delaware and the parties hereto.

2. The Custodian hereby accepts in trust the aforesaid shares of stock and agrees to hold such shares in trust under the terms and conditions set forth in Agreement A.

3. One of the signed copies of this indenture shall be filed at the principal office of the Winthrop Delaware at 110 West 10th Street, Wilmington, Delaware, and at the principal office of the respective parties hereto.

4. This Indenture may only be modified by written agreement between the Voting Trustee and the holders of all of the issued and outstanding Voting Trust Certificates.

IN WITNESS WHEREOF, the parties hereto being thereunto duly authorized have duly executed this Indenture in quadruplicate originals the day and year first above mentioned.

GENERAL ANILINE & FILM CORPORATION

by.....
President

Attest:

.....
Secretary

.....
Name of highest bidder

by.....
President

Attest:

.....
Secretary

.....
For Alien Property Custodian

(Form to be used in event Winthrop Stock is to be placed in Voting Trust)

"AGREEMENT A"

AGREEMENT TO CREATE VOTING TRUST, dated April , 1945, between
, GENERAL ANILINE & FILM CORPORATION
(Name of highest bidder)
(hereinafter "General Aniline"), and JAMES E. MARHKAM, as ALIEN
PROPERTY CUSTODIAN (hereinafter "Custodian");

WITNESSETH:

WHEREAS (Name of highest bidder) has submitted, and General Aniline has accepted the highest bid at the public sale of all of the issued and outstanding Class B Common Stock of Winthrop Chemical Company, a Delaware corporation (hereinafter "Winthrop Delaware"), consisting of 6,150 shares of Class B Common Stock of the par value of Ten Dollars per share; and

WHEREAS such public sale was held with the consent of the Custodian who has vested and holds approximately 98% of the voting stock of General Aniline, and, since April, 1942, has supervised and controlled the management thereof; and

WHEREAS General Aniline desired to offer the said Class B Common Shares of Winthrop Delaware for sale at public auction; and

WHEREAS the Custodian, deeming that the national interest required that effective measures be taken to prevent the Class B Shares of Winthrop Delaware from coming under the ownership or control of interests unfriendly to the United States, consented to such public sale on condition that the Class B Shares of Winthrop Delaware, purchased at such public sale, be placed in a Voting Trust for a period of ten years, the maximum period which may be imposed under applicable state law; and

WHEREAS (Name of highest bidder), as highest bidder for the shares of Winthrop Delaware at such public sale, General Aniline and the Custodian now desire to make and execute this Agreement to create a Voting Trust;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

(1) The _____, will pay the balance of
(Name of highest bidder)
 the sales price, over and above the deposit of \$475,000, by certified
 banker's or cashier's check payable to the order of General Aniline at
 a designated bank in Jersey City, New Jersey, at noon on or before
 the fifth day following sale; and

(2) Immediately upon payment of the balance of the sales price
 as above provided, _____, General Aniline &
(Name of highest bidder)
 Film Corporation and the Custodian will execute a Voting Trust In-
 denture, captioned "Voting Trust Indenture A" and in the form at-
 tached hereto, and _____ will thereupon im-

(Name of highest bidder)
 mediately deposit with the Custodian, as Voting Trustee under the
 terms of this Agreement, a certificate or certificates representing 6,150
 Class B Common Shares of Winthrop Delaware (hereinafter the "De-
 posited Shares") duly endorsed in blank for transfer and shall cause
 such transfer to be recorded upon the books of Winthrop Delaware.
 The Voting Trustee will accept such Deposited Shares and will issue
 in lieu thereof to the _____ one or more Voting

(Name of highest bidder)
 Trust Certificates representing the cesui que trust's interest in the like
 number of Deposited Shares held in trust. The Voting Trust Certifi-
 cates shall be in the following form:

VOTING TRUST CERTIFICATE OF
 CLASS B COMMON STOCK

of

WINTHROP CHEMICAL COMPANY

.....
 No. of shares for
 which Ctf. issued

A. This Voting Trust Certificate is issued pursuant and subject
 to a certain Voting Trust Indenture dated April , 1945, between Gen-
 eral Aniline, _____, and the undersigned Vot-

(Name of highest bidder)
 ing Trustee, defining the rights of the holder hereof, and the rights
 and duties of the Voting Trustee. Originals of the Voting Trust Inden-

ture are on file at the principal office of Winthrop Chemical Company, 110 West 10th Street, Wilmington, Delaware, and the office of the Voting Trustee, Washington, D. C.

B. The holder of this Voting Trust Certificate is entitled to collect and receive a pro rata share of all dividends declared upon the Class B Common Stock of Winthrop Chemical Company (hereinafter "Corporation"), held in trust by the Voting Trustee: *Provided*, however, That dividends declared in the form of stock in the Corporation shall be paid to and held and controlled by the Trustee under the same terms as are the original shares under the Voting Trust Indenture.

C. The holder of this Voting Trust Certificate shall have the exclusive right to vote the share or shares of the Corporation stock for which this Certificate is issued in respect to the election of directors of the Corporation: *Provided*, however, That he shall not have the right to vote in favor of the election of others than citizens of the United States or persons controlled either directly or indirectly by persons other than citizens or business enterprises organized under the laws of the United States without the prior written consent of the Voting Trustee. The holder shall also have the exclusive voting rights and powers with respect to such share or shares in connection with all other matters: *Except*, however, That the Voting Trustee shall have exclusive voting right and power:

(a) To vote to sell all or a substantial part of the property and business of the Corporation;

(b) To vote to issue bonds or debentures or to mortgage or encumber the property or business of the Corporation to persons, corporations, organizations or other business enterprises not citizens of the United States or not organized under the laws of the United States, or to persons or business enterprises controlled either directly or indirectly by other than citizens or business enterprises organized under the laws of the United States;

(c) To vote in favor of dissolution, merger or consolidation of the Corporation; and

(d) To vote in favor of amending the Certificate of Incorporation of the Corporation.

D. The Voting Trustee hereby irrevocably constitutes and appoints the holder of this Voting Trust Certificate the attorney and proxy of the Voting Trustee for the duration of the Voting Trust, with full power to vote the share or shares of the Corporation for which this Voting Trust Certificate is issued, to the extent that the certificate holder is entitled to vote, as above provided, but only to that extent.

This Voting Trust Certificate may, at the request of the holder, and upon its surrender, be split up or consolidated into one or more Voting Trust Certificates.

E. The transfer or pledge of any Voting Trust Certificate shall be void unless made with the prior written consent of the Voting Trustee. In no case shall consent to any transfer or pledge be considered unless written request is made upon the Voting Trustee.

F. Upon the termination of the Voting Trust Indenture, the stock held in trust shall be distributed by the Voting Trustee on a pro rata basis to the holders of Voting Trust Certificates as soon as practicable after such termination and the surrender of the Certificates, properly endorsed.

G. The acceptance of this Voting Trust Certificate shall bind the holder and each successive holder hereof to all the terms and conditions of said Voting Trust Indenture in the same manner as if said holder and each successive holder had executed said Indenture as a party thereto.

H. In case this Voting Trust Certificate shall become mutilated or be lost, destroyed or stolen, the Voting Trustee shall issue and deliver in exchange for, and upon cancellation of, the mutilated Voting Trust Certificate, or in lieu of the Voting Trust Certificate so lost, destroyed or stolen, a new Voting Trust Certificate, upon the production of evidence of such mutilation, loss, destruction or theft, satisfactory to the Voting Trustee.

I. The Voting Trustee shall not be liable for any action taken or omitted hereunder in good faith.

IN WITNESS WHEREOF, the Voting Trustee has caused this Voting Trust Certificate to be signed and dated.

.....
James E. Markham, Alien Property Custodian
Voting Trustee

Date

(3) The Voting Trustee will administer the Voting Trust in accordance with the terms and provisions set forth in the prescribed form of Voting Trust Certificate.

(4) The Voting Trust shall continue in force and effect until the close of business on April , 1955, and shall be terminated at such

time, unless terminated prior thereto by the Voting Trustee upon notice to the holders of the Voting Trust Certificates. Immediately after the close of business on April , 1955, or upon the earlier termination of the Voting Trust Agreement by the Voting Trustee, the Voting Trustee, upon surrender to him of the Voting Trust Certificates then outstanding, properly endorsed, shall distribute to the registered holders of such Voting Trust Certificates their pro rata share of the stock held in trust, duly endorsed for transfer, and shall cause such transfers to be recorded upon the books of the Corporation; and thereupon all responsibility of the Voting Trustee shall terminate.

(5) The Voting Trustee may at any time resign by delivering or mailing to the holders of the Voting Trust Certificates his resignation in writing to take effect ten (10) days thereafter. In case of the death, resignation or other inability of the Voting Trustee to act hereunder, or in case of the death, resignation or other inability to act hereunder of any successor Voting Trustee, the person who shall then be in charge of the Office of Alien Property Custodian shall become successor Voting Trustee and remain such until the appointment and qualification of a new Alien Property Custodian, whereupon the latter shall become the successor Voting Trustee hereunder. In case the Office of Alien Property Custodian shall cease to exist, the person charged with the duties relating to the control of the property of nationals of foreign countries shall become the successor Voting Trustee, or, if no person shall be charged with such duties, then the Attorney General of the United States shall be the successor Voting Trustee. In no case, however, shall any person who is neither Alien Property Custodian, Attorney General nor a person charged with the duties relating to the control of the property of nationals of foreign countries, be Voting Trustee under this agreement.

(6) In case any Deposited Shares shall be split up into a greater number of shares or consolidated into a lesser number of shares, or changed into shares of any other class or classes, the shares resulting from any such split-up, consolidation or change shall forthwith be deposited hereunder in lieu of and in exchange for the Deposited Shares so split up, consolidated, or changed.

(7) It is the express intention of the Voting Trustee, in exercising the right to vote granted to him hereunder, to vote in favor of all corporate action proposed by the Board of Directors of the Corporation,

unless the Voting Trustee in his sole discretion shall deem any proposed action to be against the national interest.

(8) The Voting Trustee shall not be liable for any action taken or omitted hereunder in good faith.

(9) The term "United States" when used herein shall be deemed to include the territories and possessions of the United States.

IN WITNESS WHEREOF, the parties hereto being thereunto duly authorized have executed this agreement on the date first above written.

GENERAL ANILINE & FILM CORPORATION

by.....
President

Attest:

.....
Secretary

.....
Name of highest bidder

by.....
President

Attest:

.....
Secretary

.....
Alien Property Custodian

(181-III)

(FORM FOR VOTING TRUST INDENTURE PURSUANT TO "AGREEMENT B")

VOTING TRUST INDENTURE "B" *

VOTING TRUST INDENTURE dated April , 1945, between WIN-
THROP CHEMICAL COMPANY, a Delaware corporation (hereinafter "Win-
throp Delaware"), , GENERAL ANILINE &
(Name of highest bidder)
FILM CORPORATION (hereinafter "General Aniline"), and JAMES E.
MARKHAM, AS ALIEN PROPERTY CUSTODIAN (hereinafter "Custodian");

W I T N E S S E T H :

WHEREAS, pursuant to a contract (hereinafter "Agreement B")
entered into on April , 1945 between ,

(Name of highest bidder)
General Aniline and the Custodian, it was agreed that, upon payment
of the balance of the sales price for the 6,150 shares of Class B Common
Stock in Winthrop Delaware, and General

(Name of highest bidder)
Aniline would, among other things, cause Winthrop Delaware to deposit
in trust with the Custodian, as Voting Trustee, certificates representing
one-half of all of the issued and outstanding shares of stock in Cook-
Waite Laboratories, Inc., Cook Laboratories of Canada, Ltd., General
Drug Company, The Val-O-Cain Corporation and Winthrop Chemical
Company, Inc. (New York) (hereinafter referred to as the "Subsidi-
aries"); and

WHEREAS, such payment of the balance price has been duly made by

(Name of highest bidder)

Now, THEREFORE:

1. Winthrop Delaware, General Aniline and

(Name of highest bidder)
hereby transfer, assign, and deliver to the Custodian one-half of all of
the outstanding and issued shares of stock in

(Name of Subsidiary)
to be held in trust by the Custodian in accordance with the terms and
conditions of the Voting Trust agreed upon and set forth in Agreement

* A separate indenture will be required for each of the five Subsidiaries.

B, originals of which are on file with the said Subsidiary and the parties hereto.

2. The Custodian hereby accepts in trust the aforesaid shares of stock and agrees to hold such shares in trust under the terms and conditions set forth in Agreement B.

3. One of the signed copies of this indenture shall be filed at the principal office of

(Name and address of Subsidiary)

and at the principal office of the respective parties hereto.

4. This Indenture may only be modified by written agreement between the Voting Trustee and the holders of all of the issued and outstanding Voting Trust Certificates.

IN WITNESS WHEREOF, the parties hereto being thereunto duly authorized have duly executed this Indenture in quadruplicate originals the day and year first above mentioned.

WINTHROP CHEMICAL COMPANY

by.....
President

Attest:

.....
Secretary

.....
Name of highest bidder

by.....
President

Attest:

.....
Secretary

GENERAL ANILINE & FILM CORPORATION

by.....
President

Attest:

.....
Secretary

.....
Alien Property Custodian

(181-IV)

(FORM TO BE USED IN EVENT STOCK IN THE WINTHROP SUBSIDIARIES
IS TO BE PLACED IN VOTING TRUST)

"AGREEMENT B"

AGREEMENT TO CREATE VOTING TRUST, dated April , 1945, between
(Name of highest bidder) , GENERAL ANILINE & FILM CORPORATION
(hereinafter "General Aniline"), and JAMES E. MARKHAM, as ALIEN
PROPERTY CUSTODIAN (hereinafter "Custodian");

WITNESSETH:

WHEREAS (Name of highest bidder) represents that it is the owner
of 6,150 shares of Class A Common Stock of Winthrop Chemical Com-
pany, a Delaware Corporation (hereinafter "Winthrop Delaware"),
and the said (Name of highest bidder) has submitted and General
Aniline has accepted the highest bid at the public sale of all of the issued
and outstanding Class B Common Stock of Winthrop Delaware, con-
sisting of 6,150 shares of Class B Common Stock of the par value of
Ten Dollars per share; and

WHEREAS such public sale was held with the consent of the Cus-
todian who has vested and holds approximately 98% of the voting stock
of General Aniline and, since April, 1942, has supervised and controlled
the management thereof; and

WHEREAS Winthrop Delaware is a holding corporation which owns
all of the issued and outstanding stock of Cook-Waite Laboratories,
Inc., Cook Laboratories of Canada, Ltd., General Drug Company, The
Val-O-Cain Corporation and Winthrop Chemical Company, New York
(hereinafter "Subsidiaries"); and

WHEREAS General Aniline desired to offer the said Class B Common
Shares of Winthrop Delaware for sale at public auction; and

WHEREAS the Custodian, deeming that the national interest required
that effective measures be taken to prevent the Class B Common Shares

of Winthrop Delaware or their equivalent from coming under the ownership or control of interests unfriendly to the United States, consented to such public sale on condition that the Class B Common Shares of Winthrop Delaware purchased at public sale be placed in Voting Trust for a period of ten years, the maximum period which may be imposed under applicable state law; and

WHEREAS _____, as highest bidder for the shares
(Name of highest bidder)
of Winthrop Delaware at such public sale, General Aniline and the Custodian now desire to make and execute this Agreement to create a Voting Trust;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

(1) The _____ will pay the balance of the sales
(Name of highest bidder)
price, over and above the deposit of \$475,000, by certified banker's or cashier's check payable to the order of General Aniline at a designated bank in Jersey City, New Jersey, at noon on or before the fifth day following sale; and

(2) Immediately upon payment of the balance of the sales price as above provided, Winthrop Delaware,

(Name of highest bidder)
General Aniline and the Custodian will execute and deliver a Voting Trust Indenture, captioned "Voting Trust Indenture B" and in the form attached hereto, and General Aniline and

(Name of highest bidder)
will forthwith cause Winthrop Delaware to deposit with the Custodian as Voting Trustee under the terms of this Agreement certificates representing one-half of all of the outstanding and issued shares of the Subsidiaries (hereinafter the "Deposited Shares") duly endorsed in blank for transfer, and to cause such transfer to be recorded upon the books of the respective Subsidiaries. The Voting Trustee will accept such Deposited Shares and will issue, in lieu thereof, to Winthrop Delaware one or more Voting Trust Certificates representing the cestui que trust's interest in the Deposited Shares held in trust. The Voting Trust Certificates shall be in the following form:

VOTING TRUST CERTIFICATE OF ONE-HALF
OF ALL OF THE OUTSTANDING AND
ISSUED STOCK IN

.....
No. of shares for
which Ctf. issued

(Name of Subsidiary)

A. This Voting Trust Certificate is issued pursuant and subject to a certain Voting Trust Indenture dated April , 1945, between Winthrop Chemical Company, , General Aniline & Film

(Name of highest bidder)

Corporation and the undersigned Voting Trustee, defining the rights of the holder hereof, and the rights and duties of the Voting Trustee. Originals of the Voting Trust Indenture are on file at the principal office of

(Name and address of Subsidiary)

(hereinafter referred to as the "Corporation"), and the office of the Voting Trustee, Washington, D. C.

B. The holder of this Voting Trust Certificate is entitled to collect and receive a pro rata share of all dividends declared upon the stock in the Corporation held in trust by the Voting Trustee: *Provided*, however, That dividends on the stock held in trust, declared in the form of stock in the Corporation, shall be paid to and held and controlled by the Trustee under the same terms as are the original shares under the Voting Trust Indenture.

C. The holder of this Voting Trust Certificate shall have the exclusive right to provide the shares of the stock of the Corporation for which this Certificate is issued in respect to the election of directors of the Corporation: *Provided*, however, That he shall not have the right to vote in favor of the election of others than citizens of the United States, or persons controlled either directly or indirectly by persons other than citizens or business enterprises organized under the laws of the United States, without the prior written consent of the Voting Trustee. The holder shall also have the exclusive voting rights and powers with respect to such shares in connection with all other matters: *Except*, however, That the Voting Trustee shall have exclusive voting right and power:

(a) To vote to sell all or a substantial part of the property and business of the Corporation;

(b) To vote to issue bonds or debentures or to mortgage or encumber the property or business of the Corporation to per-

sons, corporations, organizations or other business enterprises not citizens of the United States or not organized under the laws of the United States, or to persons or business enterprises controlled either directly or indirectly by other than citizens or business enterprises organized under the laws of the United States;

(c) To vote in favor of dissolution, merger or consolidation of the Corporation; and

(d) To vote in favor of amending the Certificate of Incorporation of the Corporation.

D. The Voting Trustee hereby irrevocably constitutes and appoints the holder of this Voting Trust Certificate the attorney and proxy of the Voting Trustee for the duration of the Voting Trust, with full power to vote the share or shares of the corporation for which this Voting Trust Certificate is issued, to the extent that the certificate holder is entitled to vote, as above provided, but only to that extent. This Voting Trust Certificate may, at the request of the holder, and upon its surrender, be split up or consolidated into one or more Voting Trust Certificates.

E. The transfer or pledge of any Voting Trust Certificates shall be void unless made with the prior written consent of the Voting Trustee. In no case shall consent to any transfer or pledge be considered unless written request is made upon the Voting Trustee.

F. Upon the termination of the Voting Trust Indenture, the stock held in trust shall be distributed by the Voting Trustee on a pro rata basis to the holders of Voting Trust Certificates as soon as practicable after such termination and the surrender of the Certificates, properly endorsed.

G. The acceptance of this Voting Trust Certificate shall bind the holder and each successor holder hereof to all the terms and conditions of said Voting Trust Indenture in the same manner as if said holder and each successive holder had executed said Indenture as a party thereto.

H. In case this Voting Trust Certificate shall become mutilated or be lost, destroyed or stolen, the Voting Trustee shall issue and deliver in exchange for, and upon cancellation of, the mutilated Voting Trust Certificate, or in lieu of the Voting Trust Certificate so lost, destroyed or stolen, a new Voting Trust Certificate, upon the production of evi-

dence of such mutilation, loss, destruction or theft, satisfactory to the Voting Trustee.

I. The Voting Trustee shall not be liable for any action taken or omitted hereunder in good faith.

IN WITNESS WHEREOF, the Voting Trustee has caused this Voting Trust Certificate to be signed and dated.

.....
James E. Markham, Alien Property Custodian
Voting Trustee

Date

(3) The Voting Trustee will administer the Voting Trust in accordance with the terms and provisions set forth above in the prescribed form of Voting Trust Certificate.

(4) The Voting Trust shall continue in force and effect until the close of business on April , 1955, and shall be terminated at such time unless it shall have been terminated prior thereto by the Voting Trustee upon notice to the holders of the Voting Trust Certificates. Immediately after the close of business on April , 1955, or upon the earlier termination of the Voting Trust Agreement by the Voting Trustee, the Voting Trustee, upon surrender to him of the Voting Trust Certificates, then outstanding, properly endorsed, shall distribute to the registered holders of such Voting Trust Certificate their pro rata share of the stock in the respective Subsidiaries held in trust, duly endorsed for transfer, and shall cause such transfers to be recorded upon the books of the Subsidiaries; and thereupon all responsibility of the Voting Trustee for the shares in the Subsidiaries held in trust shall terminate.

(5) The Voting Trustee may at any time resign by delivering or mailing to the holders of the Voting Trust Certificates his resignation in writing, to take effect ten (10) days thereafter. In case of the death, resignation or other inability of the Voting Trustee to act hereunder, or in case of the death, resignation or other inability to act hereunder of any successor Voting Trustee, the person who shall then be in charge

of the Office of Alien Property Custodian shall become successor Voting Trustee and remain such until the appointment and qualification of a new Alien Property Custodian, whereupon the latter shall become the successor Voting Trustee hereunder. In case the Office of Alien Property Custodian shall cease to exist, the person charged with the duties relating to the control of the property of nationals of foreign countries shall become the successor Voting Trustee, or, if no person shall be charged with such duties, then the Attorney General of the United States shall become the successor Voting Trustee. In no case, however, shall any person who is neither Alien Property Custodian, Attorney General, nor a person charged with the duties relating to the control of the property of nationals of foreign countries be Voting Trustee under this agreement.

(6) In case any Deposited Shares shall be split up into a greater number of shares or consolidated into a lesser number of shares, or changed into shares of any other class or classes, the shares resulting from any such split-up, consolidation or change shall forthwith be deposited hereunder in lieu of and in exchange for the Deposited Shares so split up, consolidated, or changed.

(7) It is the express intention of the Voting Trustee, in exercising the right to vote granted to him hereunder, to vote in favor of all corporate action proposed by the Boards of Directors of the Subsidiaries unless the Voting Trustee in his sole discretion shall deem any proposed action to be against the national interest.

(8) Upon the delivery of the Deposited Shares in trust pursuant to this Agreement, General Aniline will transfer, assign and deliver to
6,150 shares of Class B Common Stock of

(Name of highest bidder)

Winthrop Delaware duly endorsed for transfer, and shall cause such transfer to be recorded on the books of Winthrop Delaware.

(9) The Voting Trustee shall not be liable for any action taken or omitted hereunder in good faith.

(10) The term "United States" when used herein shall be deemed to include the territories and possessions of the United States.

IN WITNESS WHEREOF, the parties hereto, being thereunto duly authorized, have executed this agreement on the date first above written.

GENERAL ANILINE & FILM CORPORATION

by.....
President

Attest:

.....
Secretary

.....
Name of highest bidder

by.....
President

Attest:

.....
Secretary

.....
For Alien Property Custodian

(181-V)